ScotiaFunds®

Semi-Annual Report

June 30, 2014

Cash Equivalent Funds

Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia U.S. $ Money Market Fund

Income Funds

Scotia Short Term Bond Fund
Scotia Private Short-Mid Government Bond Pool
Scotia Mortgage Income Fund
Scotia Floating Rate Income Fund
Scotia Conservative Income Fund
Scotia Bond Fund
Scotia Canadian Income Fund
Scotia Private Canadian Corporate Bond Pool
Scotia U.S. $ Bond Fund
Scotia Global Bond Fund

Balanced Funds

Scotia Diversified Monthly Income Fund
Scotia Income Advantage Fund
Scotia Canadian Balanced Fund
Scotia Dividend Balanced Fund
Scotia Balanced Opportunities Fund
Scotia Global Balanced Fund
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Equity Funds

Canadian Equity Funds

Scotia Private Canadian Preferred Share Pool
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Private Canadian Equity Pool
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund
Scotia Private Real Estate Income Pool
Scotia Private North American Dividend Pool

U.S. Equity Funds

Scotia U.S. Dividend Fund
Scotia Private U.S. Dividend Pool
Scotia Private U.S. Equity Pool
Scotia U.S. Blue Chip Fund
Scotia U.S. Opportunities Fund

International Equity Funds

Scotia Private International Core Equity Pool
Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund

Global Equity Funds

Scotia Global Dividend Fund
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Scotia Global Small Cap Fund
Scotia Global Opportunities Fund

Index Funds

Scotia Canadian Bond Index Fund
Scotia Canadian Index Fund
Scotia U.S. Index Fund
Scotia CanAm Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Balanced Growth Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio

Scotia Partners Portfolios®

Scotia Partners Income Portfolio
Scotia Partners Balanced Income Portfolio
Scotia Partners Balanced Growth Portfolio
Scotia Partners Growth Portfolio
Scotia Partners Maximum Growth Portfolio

Scotia INNOVA Portfolios®

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

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Global Economic Outlook

Aron Gampel
Vice-President and Deputy Chief Economist
Scotiabank

Uncertain Times Continue

The global economy can't shake off its lethargy. Outside of the U.K. which continues to benefit from a boom in housing and capital inflows, the performance of the other major industrialized economies remains either soft, as in many countries in the euro zone, or sub-par in the U.S., Canada and Japan. The pace of activity in the larger emerging economies — China, Brazil, India, and Russia for example, has continued to moderate. Although many of the smaller economies in Latin America are recording comparatively stronger activity, the larger ones are stuck in the slow lane of growth, with Mexico limited by the underperformance in the United States. Heightened geopolitical tensions around the world, in the Ukraine, the Middle East, Africa and Asia pose an added roadblock to more favourable prospects. Some increased signs of financial stress in a number of countries add to the uncertain mix. The election results in Indonesia take on added importance for the world's fourth largest population. The recent run-up in crude oil prices has been reversed, but prices at the pump for drivers may take some time to reverse their recent uptick.

In what is becoming a recurring theme, the global economy is unable to generate and, importantly, sustain stronger economic momentum. Even so, the improving trends in U.S. employment and auto sales, along with increased government outlays and expanded oil & gas production, hold the promise of accelerating growth in the months ahead. Additional fiscal reforms and expenditures should help support somewhat stronger activity in Japan. The euro zone is expected to build upon its recent pro-growth initiatives, with monetary policy set to become even more accommodative. A number of countries around the world, including Mexico and more recently Sweden, have lowered short-term borrowing costs in a bid to underpin growth and offset deflationary pulses. China has introduced a number of monetary and fiscal measures aimed at reinforcing activity, and keeping real growth around 7½%. The budget of India's new government pledges a variety of economic reforms to help bolster real growth and encourage foreign investment inflows. Global trade statistics are quite lagged and reveal an incipient recovery underway. New orders for capital equipment are on the rise, and should translate into expanded industrial activity and cross-border trade.

With growth expectations around the world being lowered a notch in the absence of consistent data to the contrary, policymakers should maintain a pro-growth focus, particularly in the slower-moving advanced economies. Elevated valuations in selected financial and housing markets are unlikely to be sustained if underlying economic growth remains on the softer side.

Canada continues to generate real GDP growth of just above 2% on a year-over-year basis, but its performance is highly imbalanced. Exports are trending higher but additional traction is needed to generate much stronger national growth. Alberta is the epicentre of economic activity, benefitting from continuing energy-related investments and expanded production, solid immigration and job gains, and strong retail and housing activity. Most other provinces are languishing in much slower gears, a reflection of the persistently slow pace of growth in the U.S. and around the world; continuing adverse weather conditions that are having temporary effects (power outages in New Brunswick) and more lasting impacts (flooding of farm lands in Saskatchewan and Manitoba); the moderation in business investment (outside of the energy sector); and the slowdown in the pace of job creation. Household confidence remains relatively high as evidenced by record-setting auto sales and buoyant housing-related activity.

However, the Canadian job report for June highlights the hiring fatigue that accelerated last fall. Over the past nine months, private paid positions have *decreased* by about 4,500, compared with the *increase* of 125,500 new positions during the first nine months of 2013 and the 374,500 private paid positions *added* in the prior two years. Slumping private paid employment growth highlights the continuing caution on the part of businesses, and their increasing reliance on bolstering productivity to generate increased output and earnings.

With the transition to more business investment and export-led growth still slow to materialize, and employment trends softening, the Bank of Canada has indicated its willingness to maintain its current neutral policy setting. Any bias to firm policy would risk strengthening the currency, and weakening exports and foreign earnings. For the time being, macroprudential rules should be used to buffer the housing market. Throughout the country many governments are expanding their infrastructure expenditures, a development that will support longer-term growth and operational efficiencies.

Scotia T-Bill Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$67,695,200	$76,022,969	$93,876,369
Cash	88,728	76,768	15,756
Accrued investment income	1,788	2,258	2,839
	67,785,716	76,101,995	93,894,964
LIABILITIES			
Current liabilities			
Distributions payable	7	177	188
Accrued expenses	42,190	–	–
	42,197	177	188
Net Assets attributable to holders of redeemable units	$67,743,519	$76,101,818	$93,894,776
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$67,743,519	$76,101,818	$93,894,776
UNITS OUTSTANDING			
Series A Units	6,774,352	7,610,182	9,389,478
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.00	$ 10.00	$ 10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 375,050	$ 481,366
Net gain (loss) on investments	375,050	481,366
Securities lending	3,741	14,972
Total income (loss)	378,791	496,338
EXPENSES		
Management fees (note 5)	355,955	443,761
Harmonized Sales Tax/Goods and Services Tax	32,349	44,477
Audit fees	784	1,077
Independent Review Committee fees	106	154
Custodian fees	1,024	1,190
Filing fees	8,676	9,810
Legal fees	225	376
Unitholder reporting costs	10,059	9,614
Unitholder administration and service fees	55,657	70,326
Total expenses	464,835	580,785
Absorbed expenses	(192,672)	(216,776)
Net expenses	272,163	364,009
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 106,628	$ 132,329
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 106,628	$ 132,329
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.01	$ 0.01
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	7,178,123	8,948,829

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 76,101,818	$ 93,894,776
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	106,628	132,329
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(106,628)	(132,329)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	7,620,933	9,899,589
Reinvested distributions		
Series A Units	105,767	131,711
Payments on redemption		
Series A Units	(16,084,999)	(17,941,320)
	(8,358,299)	(7,910,020)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(8,358,299)	(7,910,020)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$ 67,743,519	$ 85,984,756

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 106,628	$ 132,329
Adjustments For:		
Purchases of non-derivative financial assets	(103,204,304)	(121,797,727)
Proceeds from sale of non-derivative financial assets	111,532,074	129,734,561
Accrued investment income	470	(4,770)
Accrued expenses	42,190	55,450
Net cash provided by (used in) operating activities	8,477,058	8,119,843
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,620,933	9,899,589
Amounts paid on redemption of redeemable units	(16,084,999)	(17,941,320)
Distributions to unitholders of redeemable units	(1,032)	(559)
Net cash provided by (used in) financing activities	(8,465,098)	(8,042,290)
Net increase (decrease) in cash	11,960	77,553
Cash at beginning of period	76,768	15,756
CASH AT END OF PERIOD	$ 88,728	$ 93,309
Interest received(1)	380,926	509,163

(1) Classified as operating items.

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

Scotia T-Bill Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 99.9%			
Treasury Bills – 59.2%			
	Government of Canada		
1,300,000	0.00% due Jul. 17, 2014	1,297,108	1,299,509
23,615,000	0.00% due Jul. 31, 2014	23,576,842	23,597,307
3,000,000	0.00% due Sep. 25, 2014	2,989,350	2,993,458
11,080,000	0.00% due Nov. 20, 2014	11,005,507	11,040,309
	Province of Ontario		
825,000	0.00% due Apr. 29, 2015	816,379	817,707
370,000	0.00% due May 6, 2015	366,093	366,683
		40,051,279	40,114,973
Promissory Notes – 5.0%			
	Province of British Columbia		
2,000,000	0.00% due Sep. 15, 2014	1,981,120	1,995,544
	Province of Ontario		
1,400,000	0.00% due Oct. 15, 2014	1,385,230	1,395,615
		3,366,350	3,391,159
Short-Term Bonds – 35.7%			
	Financement Quebec (Floating Rate)		
2,700,000	1.19% due Dec. 1, 2014	2,699,415	2,701,875
2,000,000	1.38% due Mar. 10, 2015	2,002,863	2,004,379
	Government of Canada (Floating Rate)		
9,900,000	1.64% due Sep. 15, 2014	9,906,126	9,912,744
	Hydro-Quebec (Floating Rate)		
5,000,000	1.38% due Feb. 11, 2015	5,004,754	5,014,192
	Ontario Hydro Corp Coupon Strip (Floating Rate)		
350,000	0.00% due Feb. 18, 2015	347,369	347,369
	Province of Ontario (Floating Rate)		
3,600,000	1.52% due Oct. 28, 2014	3,604,442	3,613,900
600,000	0.00% due May 3, 2015	594,609	594,609
		24,159,578	24,189,068
	TOTAL INVESTMENT PORTFOLIO	67,577,207	67,695,200
	OTHER ASSETS, LESS LIABILITIES – 0.1%		48,319
	NET ASSETS – 100.0%		67,743,519

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia T-Bill Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Money Market Instruments*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$67,695,200	$76,022,969	$93,876,369
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$67,695,200	$76,022,969	93,876,369

* Earlier of maturity date or interest reset date. Excludes cash.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)
Short-Term Rating						
R1-High	60.5	60.4	62.7	62.6	62.7	62.7
R1-Middle	3.8	3.8	1.8	1.8	2.8	2.8
Bond Credit Rating						
AAA	14.6	14.6	13.1	13.1	17.1	17.1
AA	9.7	9.7	7.8	7.8	3.2	3.2
A	11.4	11.4	14.6	14.6	14.2	14.2
Total	100.0	99.9	100.0	99.9	100.0	100.0

iii) Liquidity risk (note 3)

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$42,197	$ –	$177	$ –	$188
Redeemable units	67,743,519	–	76,101,818	–	93,894,776	–
	$67,743,519	$42,197	$76,101,818	$177	$93,894,776	$188

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Treasury Bills	59.2	60.0	65.5
Promissory Notes	5.0	4.4	–
Short-Term Bonds	35.7	35.5	34.5

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Instruments	$ –	$67,695,200	$ –	$67,695,200

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Instruments	$ –	$76,022,969	$ –	$76,022,969

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Instruments	$ –	$93,876,369	$ –	$93,876,369

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Premium T-Bill Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$237,651,248	$278,126,495	$352,747,494
Cash	200,219	29,516	61,505
Accrued investment income	6,811	8,256	10,735
Receivable for management fees rebate	48,698	60,214	72,725
	237,906,976	278,224,481	352,892,459
LIABILITIES			
Current liabilities			
Distributions payable	5,344	6,666	6,724
Accrued expenses	116,088	–	–
	121,432	6,666	6,724
Net Assets attributable to holders of redeemable units	$237,785,544	$278,217,815	$352,885,735
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$237,785,544	$278,217,815	$352,885,735
UNITS OUTSTANDING			
Series A Units	23,778,554	27,821,782	35,288,573
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.00	$ 10.00	$ 10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 1,352,652	$ 1,784,177
Net gain (loss) on investments	1,352,652	1,784,177
Securities lending	23,066	58,120
Total income (loss)	1,375,718	1,842,297
EXPENSES		
Management fees (note 5)	373,285	477,652
Harmonized Sales Tax/Goods and Services Tax	69,316	89,121
Audit fees	2,752	3,895
Independent Review Committee fees	384	572
Custodian fees	2,871	3,390
Filing fees	9,336	10,587
Legal fees	814	1,381
Unitholder reporting costs	3,365	6,095
Unitholder administration and service fees	24,818	27,714
Total expenses	486,941	620,407
Absorbed expenses	(35,233)	(42,009)
Net expenses	451,708	578,398
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 924,010	$ 1,263,899
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 924,010	$ 1,263,899
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.04	$ 0.04
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	25,914,153	33,141,984

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$278,217,815	$352,885,735
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	924,010	1,263,899
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(924,010)	(1,263,899)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	34,746,975	31,896,127
Reinvested distributions		
Series A Units	891,142	1,223,194
Payments on redemption		
Series A Units	(76,070,388)	(71,175,015)
	(40,432,271)	(38,055,694)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(40,432,271)	(38,055,694)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$237,785,544	$314,830,041

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 924,010	$ 1,263,899
Adjustments For:		
Purchases of non-derivative financial assets	(373,251,117)	(451,494,581)
Proceeds from sale of non-derivative financial assets	413,726,364	489,594,509
Accrued investment income	1,445	(17,162)
Accrued expenses	116,088	147,146
Receivable for management fees rebate	11,516	13,163
Net cash provided by (used in) operating activities	41,528,306	39,506,974
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	34,746,975	31,896,127
Amounts paid on redemption of redeemable units	(76,070,388)	(71,175,015)
Distributions to unitholders of redeemable units	(34,190)	(40,951)
Net cash provided by (used in) financing activities	(41,357,603)	(39,319,839)
Net increase (decrease) in cash	170,703	187,135
Cash at beginning of period	29,516	61,505
CASH AT END OF PERIOD	$ 200,219	$ 248,640
Interest received(1)	1,376,441	1,832,724

(1) Classified as operating items.

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

Scotia Premium T-Bill Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 100.0%			
Treasury Bills – 58.6%			
	Government of Canada		
6,080,000	0.00% due Jul. 17, 2014	6,071,068	6,077,631
76,390,000	0.00% due Jul. 31, 2014	76,267,766	76,332,765
955,000	0.00% due Aug. 14, 2014	951,123	953,985
11,000,000	0.00% due Sep. 25, 2014	10,960,950	10,976,012
40,760,000	0.00% due Nov. 20, 2014	40,483,775	40,613,912
	Province of Ontario		
3,035,000	0.00% due Apr. 29, 2014	3,003,284	3,008,170
1,375,000	0.00% due May 6, 2015	1,360,480	1,362,674
		139,098,446	139,325,149
Promissory Notes – 5.8%			
	Province of British Columbia		
8,000,000	0.00% due Sep. 15, 2014	7,924,479	7,982,175
	Province of Ontario		
5,800,000	0.00% due Oct. 15, 2014	5,738,810	5,781,832
		13,663,289	13,764,007
Short-Term Bonds – 35.6%			
	Financement Quebec		
9,600,000	1.19% due Dec. 1, 2014	9,597,938	9,606,686
7,400,000	1.38% due Mar. 10, 2015	7,410,594	7,416,202
	Government of Canada		
34,680,000	1.64% due Sep. 15, 2014	34,701,461	34,724,644
	Hydro-Quebec		
17,900,000	1.38% due Feb. 11, 2015	17,917,018	17,950,807
	Ontario Hydro		
	0.00% due Feb. 18, 2015	1,339,851	1,339,851
	Province of Ontario		
11,300,000	1.52% due Oct. 28, 2014	11,313,980	11,343,669
		2,180,233	2,180,233
		84,461,075	84,562,092
	TOTAL INVESTMENT PORTFOLIO	237,222,810	237,651,248
	OTHER ASSETS, LESS LIABILITIES – 0.0%		134,296
	NET ASSETS – 100.0%		237,785,544

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia Premium T-Bill Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Money Market Instruments*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$237,651,248	$278,126,495	$352,747,494
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$237,651,248	$278,126,495	$352,747,494

* Earlier of maturity date or interest reset date. Excludes cash.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)
Short-Term Rating						
R1-High	60.1	60.1	62.0	62.0	62.5	62.5
R1-Middle	4.3	4.3	2.1	2.1	1.2	1.2
Bond Credit Rating						
AAA	14.6	14.6	12.5	12.5	21.9	21.9
AA	9.4	9.4	8.5	8.5	–	–
A	11.6	11.6	14.9	14.9	14.4	14.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$121,432	$ –	$6,666	$ –	$6,724
Redeemable units	237,785,544	–	278,217,815	–	352,885,735	–
	$237,785,544	$121,432	$278,217,815	$6,666	$352,885,735	$6,724

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Premium T-Bill Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Treasury Bills	58.6	59.2	63.7
Promissory Notes	5.8	4.9	–
Short-Term Bonds	35.6	35.9	36.3

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$237,651,248	$ –	$237,651,248

December 31, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$278,126,495	$ –	$278,126,495

January 1, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$352,747,494	$ –	$352,747,494

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Money Market Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,804,737,538	$1,751,599,380	$2,065,538,676
Cash	102,705	92,764	2,691,255
Accrued investment income	46,074	62,177	77,233
	1,804,886,317	1,751,754,321	2,068,307,164
LIABILITIES			
Current liabilities			
Distributions payable	6,279	4,000	3,628
Accrued expenses	435,962	–	–
	442,241	4,000	3,628
Net Assets attributable to holders of redeemable units	$1,804,444,076	$1,751,750,321	$2,068,303,536
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 412,249,366	$ 456,213,468	$ 582,051,484
Advisor Series Units	$ 2,676,920	$ 1,278,537	$ 1,580,166
Series I Units	$ 152,949	$ 151,977	$ 10,404,360
Series M Units	$1,204,579,779	$1,111,706,907	$1,213,387,545
Premium Series Units	$ 184,785,062	$ 182,399,432	$ 260,879,981
UNITS OUTSTANDING			
Series A Units	41,224,937	45,621,347	58,205,148
Advisor Series Units	267,692	127,854	158,017
Series I Units	15,296	15,198	1,040,436
Series M Units	120,457,978	111,170,691	121,338,755
Premium Series Units	18,478,506	18,239,943	26,087,998
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.00	$ 10.00	$ 10.00
Advisor Series Units	$ 10.00	$ 10.00	$ 10.00
Series I Units	$ 10.00	$ 10.00	$ 10.00
Series M Units	$ 10.00	$ 10.00	$ 10.00
Premium Series Units	$ 10.00	$ 10.00	$ 10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 11,699,135	$ 12,539,840
Net gain (loss) on investments	11,699,135	12,539,840
Securities lending	3,950	595
Total income (loss)	11,703,085	12,540,435
EXPENSES		
Management fees (note 5)	2,623,065	3,178,809
Harmonized Sales Tax/Goods and Services Tax	253,565	345,402
Audit fees	18,499	20,549
Independent Review Committee fees	2,664	3,162
Custodian fees	15,973	18,835
Filing fees	38,557	33,817
Legal fees	5,679	7,628
Unitholder reporting costs	27,336	30,823
Unitholder administration and service fees	281,498	311,238
Overdraft charges	–	1,708
Total expenses	3,266,836	3,951,971
Absorbed expenses	(548,812)	(498,103)
Net expenses	2,718,024	3,453,868
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 8,985,061	$ 9,086,567
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 754,105	$ 936,766
Advisor Series Units	$ 4,197	$ 2,711
Series I Units	$ 984	$ 69,005
Series M Units	$ 7,328,106	$ 6,915,773
Premium Series Units	$ 897,669	$ 1,162,312
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.02	$ 0.02
Advisor Series Units	$ 0.02	$ 0.02
Series I Units	$ 0.06	$ 0.07
Series M Units	$ 0.06	$ 0.07
Premium Series Units	$ 0.05	$ 0.05
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	43,477,529	54,040,997
Advisor Series Units	241,059	156,515
Series I Units	15,238	1,012,332
Series M Units	117,804,076	104,910,176
Premium Series Units	18,805,112	20,971,678

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Money Market Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 456,213,468	$ 582,051,484
Advisor Series Units	1,278,537	1,580,166
Series I Units	151,977	10,404,360
Series M Units	1,111,706,907	1,213,387,545
Premium Series Units	182,399,432	260,879,981
	1,751,750,321	2,068,303,536
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	754,105	936,766
Advisor Series Units	4,197	2,711
Series I Units	984	69,005
Series M Units	7,328,106	6,915,773
Premium Series Units	897,669	1,162,312
	8,985,061	9,086,567
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(754,105)	(936,766)
Advisor Series Units	(4,197)	(2,711)
Series I Units	(996)	(69,005)
Series M Units	(7,328,106)	(6,915,773)
Premium Series Units	(897,669)	(1,162,312)
	(8,985,073)	(9,086,567)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	135,794,057	179,711,351
Advisor Series Units	1,973,183	740,339
Series I Units	–	30,000
Series M Units	1,207,833,823	1,162,616,762
Premium Series Units	90,720,931	108,782,750
Reinvested distributions		
Series A Units	744,183	926,833
Advisor Series Units	4,202	2,467
Series I Units	984	69,002
Series M Units	7,295,841	6,868,856
Premium Series Units	883,551	1,154,647
Payments on redemption		
Series A Units	(180,502,342)	(245,741,094)
Advisor Series Units	(579,002)	(903,065)
Series I Units	–	(890,100)
Series M Units	(1,122,256,792)	(1,489,989,746)
Premium Series Units	(89,218,852)	(165,460,517)
	52,693,767	(442,081,515)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(43,964,102)	(65,102,910)
Advisor Series Units	1,398,383	(160,259)
Series I Units	972	(791,098)
Series M Units	92,872,872	(320,504,128)
Premium Series Units	2,385,630	(55,523,120)
	52,693,755	(442,081,515)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	412,249,366	516,948,574
Advisor Series Units	2,676,920	1,419,907
Series I Units	152,949	9,613,262
Series M Units	1,204,579,779	892,883,417
Premium Series Units	184,785,062	205,356,861
	$ 1,804,444,076	$ 1,626,222,021

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 8,985,061	$ 9,086,567
Adjustments For:		
Purchases of non-derivative financial assets	(4,610,644,101)	(3,527,473,344)
Proceeds from sale of non-derivative financial assets	4,557,505,943	3,967,044,491
Accrued investment income	16,103	(95,575)
Accrued expenses	435,962	535,506
Net cash provided by (used in) operating activities	(43,701,032)	449,097,645
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,436,321,994	1,451,881,202
Amounts paid on redemption of redeemable units	(1,392,556,988)	(1,902,984,522)
Distributions to unitholders of redeemable units	(54,033)	(65,318)
Net cash provided by (used in) financing activities	43,710,973	(451,168,639)
Net increase (decrease) in cash	9,941	(2,070,993)
Cash at beginning of period	92,764	2,691,255
CASH AT END OF PERIOD	$ 102,705	$ 620,262
Interest received(1)	12,520,394	13,527,726

(1) Classified as operating items.

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

Scotia Money Market Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 100.0%			
Promissory Notes – 0.6%			
	Province of Prince Edward Island		
10,550,000	0.00% due Jul. 02, 2014	10,549,473	10,549,736
Bankers' Acceptances – 8.1%			
	Bank of Montreal		
10,124,000	0.00% due Jul. 02, 2014	10,120,457	10,123,705
	HSBC Bank Canada		
27,000,000	0.00% due Jul. 09, 2014	26,988,390	26,993,366
4,575,000	0.00% due Sep. 22, 2014	4,549,106	4,562,577
	National Bank of Canada		
2,180,000	0.00% due Jul. 02, 2014	2,179,411	2,179,935
	Royal Bank of Canada		
14,400,000	0.00% due Jul. 04, 2014	14,396,124	14,398,704
1,700,000	0.00% due Jul. 07, 2014	1,689,936	1,699,666
2,058,000	0.00% due Aug. 14, 2014	2,043,121	2,054,997
	Toronto-Dominion Bank, The		
23,725,000	0.00% due Jul. 02, 2014	23,720,018	23,724,288
17,300,000	0.00% due Jul. 04, 2014	17,296,013	17,298,443
31,070,000	0.00% due Jul. 07, 2014	31,063,475	31,064,407
9,300,000	0.00% due Jul. 10, 2014	9,296,187	9,297,549
1,600,000	0.00% due Aug. 08, 2014	1,593,584	1,598,110
882,000	0.00% due Sep. 22, 2014	877,149	879,686
		145,812,971	145,875,433
Bearers' Deposit Notes – 2.8%			
	Bank of Montreal		
2,000,000	0.00% due Jul. 22, 2014	1,974,020	1,998,501
	Caisse Centrale Desjardins		
26,800,000	0.00% due Jul. 11, 2014	26,787,672	26,792,295
	HSBC Bank Canada		
21,640,000	0.00% due Aug. 20, 2014	21,363,023	21,600,924
	Manitoba Hydro		
1,000,000	0.00% due Apr. 13, 2015	986,050	988,948
		51,110,765	51,380,668
Commercial Paper – 32.5%			
	BCE Inc.		
13,700,000	0.00% due Jul. 15, 2014	13,660,270	13,693,820
28,000,000	0.00% due Jul. 21, 2014	27,913,480	27,981,785
1,700,000	0.00% due Aug. 01, 2014	1,695,019	1,698,303
	Bell Canada		
23,400,000	0.00% due Aug. 25, 2014	23,330,908	23,357,777
	Canadian National Railway Company		
10,000,000	0.00% due Jul. 02, 2014	9,989,600	9,999,694
5,620,000	0.00% due Jul. 09, 2014	5,618,426	5,618,601
15,000,000	0.00% due Jul. 11, 2014	14,995,050	14,995,500
11,000,000	0.00% due Jul. 23, 2014	10,980,090	10,992,448
4,500,000	0.00% due Jul. 28, 2014	4,487,040	4,496,155
5,300,000	0.00% due Aug. 20, 2014	5,284,895	5,291,608
	Canadian Utilities Limited		
18,200,000	0.00% due Jul. 11, 2014	18,175,794	18,194,237
7,550,000	0.00% due Jul. 29, 2014	7,543,054	7,543,294
	Caterpillar Inc.		
16,100,000	0.00% due Jul. 07, 2014	16,095,452	16,097,271
	Daimler Canada Finance Inc.		
2,400,000	0.00% due Jul. 02, 2014	2,399,376	2,399,922
365,000	0.00% due Jan. 07, 2015	359,963	362,152
	Enbridge Inc.		
10,000,000	0.00% due Jul. 03, 2014	9,981,300	9,999,344
6,950,000	0.00% due Jul. 09, 2014	6,947,081	6,948,204
5,600,000	0.00% due Jul. 10, 2014	5,597,648	5,598,372
8,500,000	0.00% due Jul. 11, 2014	8,482,150	8,497,211
	Finning International Inc.		
15,000,000	0.00% due Jul. 14, 2014	14,991,900	14,993,806
	Honda Canada Finance Inc.		
19,200,000	0.00% due Jul. 11, 2014	19,191,552	19,194,368
10,000,000	0.00% due Aug. 01, 2014	9,972,900	9,990,344

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS (cont'd)			
Commercial Paper (cont'd)			
8,700,000	0.00% due Aug. 08, 2014	8,674,857	8,689,615
1,740,000	0.00% due Aug. 11, 2014	1,734,641	1,737,758
1,350,000	0.00% due Aug. 18, 2014	1,345,680	1,347,967
1,000,000	0.00% due Oct. 23, 2014	994,140	996,183
	Imperial Oil Ltd.		
4,000,000	0.00% due Jul. 10, 2014	3,998,320	3,998,920
	Nova Scotia Power Inc.		
6,000,000	0.00% due Jul. 03, 2014	5,998,740	5,999,640
9,000,000	0.00% due Jul. 21, 2014	8,990,640	8,994,327
5,900,000	0.00% due Jul. 23, 2014	5,894,985	5,895,914
19,500,000	0.00% due Aug. 01, 2014	19,480,305	19,480,920
	Omers Finance Trust		
18,300,000	0.00% due Jul. 07, 2014	18,248,661	18,296,584
	Omers Finance Trust		
17,837,000	0.00% due Jul. 08, 2014	17,786,521	17,833,117
8,000,000	0.00% due Jul. 10, 2014	7,977,600	7,997,760
5,000,000	0.00% due Jul. 14, 2014	4,985,850	4,997,979
4,500,000	0.00% due Jul. 22, 2014	4,487,130	4,497,030
12,925,000	0.00% due Jul. 29, 2014	12,888,035	12,913,626
6,000,000	0.00% due Aug. 12, 2014	5,982,660	5,992,084
	Omers Realty Corporation		
1,000,000	0.00% due Jul. 02, 2014	997,200	999,969
15,547,000	0.00% due Jul. 17, 2014	15,532,852	15,539,194
	TELUS Corporation		
1,400,000	0.00% due Jul. 03, 2014	1,397,354	1,399,910
6,500,000	0.00% due Jul. 02, 2014	6,498,635	6,499,805
32,800,000	0.00% due Sep. 02, 2014	32,700,428	32,732,817
	Toronto Hydro Corporation		
20,000,000	0.00% due Jul. 02, 2014	19,997,270	19,999,400
32,500,000	0.00% due Jul. 03, 2014	32,493,175	32,498,050
	Toyota Credit Canada Inc.		
11,600,000	0.00% due Aug. 06, 2014	11,567,984	11,587,472
	TransCanada PipeLines Ltd.		
18,000,000	0.00% due Jul. 02, 2014	17,997,300	17,999,460
6,830,000	0.00% due Jul. 09, 2014	6,827,268	6,828,319
6,000,000	0.00% due Jul. 14, 2014	5,982,960	5,997,511
10,000,000	0.00% due Jul. 15, 2014	9,971,200	9,995,520
12,050,000	0.00% due Jul. 16, 2014	12,014,935	12,044,220
	Volkswagen AG		
6,000,000	0.00% due Jul. 22, 2014	5,982,060	5,995,767
10,000,000	0.00% due Aug. 05, 2014	9,969,100	9,988,245
14,000,000	0.00% due Aug. 06, 2014	13,957,160	13,983,052
4,000,000	0.00% due Aug. 07, 2014	3,988,320	3,995,033
10,000,000	0.00% due Aug. 11, 2014	9,969,400	9,986,213
		585,006,314	585,683,597
Short-Term Bonds – 56.0%			
	407 International Inc.		
19,951,000	3.88% due Jun. 16, 2015	20,432,074	20,461,685
	American Express Company		
48,000,000	4.85% due Oct. 3, 2014	48,411,842	48,971,928
	Bank of Montreal (Floating Rate)		
5,000,000	1.64% due Mar. 23, 2015	5,007,000	5,008,798
69,500,000	1.79% due Sep. 11, 2015	69,785,680	69,849,839
	Bank of Montreal		
1,000,000	3.93% due Apr. 27, 2015	1,020,635	1,027,508
	Bank of Nova Scotia, The (Floating Rate)		
14,000,000	1.40% due Sep. 10, 2014	14,000,663	14,011,559
2,500,000	1.44% due Oct. 20, 2014	2,500,093	2,506,987
9,200,000	1.65% due Aug. 4, 2015	9,212,384	9,235,646
	Bank of Nova Scotia, The		
48,000,000	3.35% due Nov. 18, 2014	48,365,967	48,553,858
	Bayerische Motoren Werke AG (Floating Rate)		
15,800,000	1.50% due Nov. 24, 2014	15,807,352	15,830,696
	Bayerische Motoren Werke AG		
21,158,000	3.15% due Apr. 1, 2015	21,444,657	21,608,545

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

Scotia Money Market Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS (cont'd)			
Short-Term Bonds (cont'd)			
	Caisse Centrale Desjardins		
26,178,000	3.11% due Dec. 4, 2014	26,378,632	26,436,540
	Canadian Imperial Bank of Commerce		
10,000,000	4.75% due Dec. 22, 2014	10,160,301	10,170,684
	Canadian Imperial Bank of Commerce (Floating Rate)		
11,040,000	2.19% due Jan. 16, 2015	11,079,147	11,088,555
60,000,000	1.62% due Sep. 23, 2015	60,000,000	60,018,664
6,540,000	1.82% due Dec. 18, 2015	6,570,622	6,574,538
	Canadian Utilities Limited		
23,916,000	5.10% due Nov. 18, 2014	24,265,552	24,407,961
	Caterpillar Inc.		
6,500,000	2.20% due Jun. 1, 2015	6,545,704	6,557,034
	Daimler Canada Finance Inc.		
48,720,000	3.02% due Jan. 7, 2015	49,085,641	49,792,864
	Deere & Company		
8,889,000	2.25% due Oct. 14, 2014	8,913,438	8,913,438
9,873,000	3.25% due Apr. 8, 2015	10,017,010	10,089,776
	Fortis, Inc.		
31,460,000	5.48% due Nov. 28, 2014	31,990,933	32,145,530
	GE Capital Canada Funding Company		
12,418,000	4.65% due Feb. 11, 2015	12,667,698	12,889,420
	General Electric Company (Floating Rate)		
2,300,000	2.57% due Jan. 26, 2015	2,315,328	2,325,551
5,979,000	1.54% due Jun. 1, 2015	5,986,230	5,993,285
	Golden Credit Card Trust		
84,809,000	3.82% due May 15, 2015	86,664,510	87,069,898
	Greater Toronto Airports Authority		
17,000,000	5.00% due Jun. 1, 2015	17,578,105	17,645,455
	Honda Canada Finance Inc. (Floating Rate)		
11,168,000	2.22% due Feb. 23, 2015	11,222,345	11,246,577
	Hydro One Inc.		
33,000,000	3.13% due Nov. 19, 2014	33,229,412	33,347,298
	Hydro One Inc. (Floating Rate)		
16,000,000	1.67% due Jul. 24, 2015	16,059,368	16,108,357
	Manulife Bank of Canada (Floating Rate)		
48,700,000	1.80% due Dec. 3, 2014	48,724,457	48,789,229
	National Bank of Canada		
6,754,000	3.15% due Feb. 11, 2015	6,828,350	6,909,963
	National Bank of Canada (Floating Rate)		
78,500,000	1.52% due Jun. 23, 2016	78,500,000	78,522,913
	New Brunswick Muni Fin Corp.		
1,883,000	1.15% due May 15, 2015	1,881,524	1,884,253
	Province of Ontario (Floating Rate)		
48,100,000	1.52% due Oct. 28, 2014	48,110,944	48,237,316
	Royal Bank of Canada (Floating Rate)		
60,000,000	1.39% due Sep. 19, 2014	60,001,558	60,022,423
4,600,000	4.71% due Dec. 22, 2014	4,675,287	4,680,021
480,000	2.07% due Jan. 16, 2015	481,939	483,977
	Terasen Inc.		
16,821,000	5.56% due Sep. 15, 2014	16,960,795	17,232,729
	Volkswagen AG (Floating Rate)		
6,290,000	1.64% due Aug. 19, 2015	6,302,140	6,313,996
	Wells Fargo Company		
47,575,000	3.97% due Nov. 3, 2014	47,985,131	48,282,810
		1,007,170,448	1,011,248,104
	TOTAL INVESTMENT PORTFOLIO	1,799,649,971	1,804,737,538
	OTHER ASSETS, LESS LIABILITIES – 0.0%		(293,462)
	NET ASSETS – 100.0%		1,804,444,076

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia Money Market Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short-term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Money Market Instruments*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$1,804,737,538	$1,751,599,380	$2,065,538,676
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$1,804,737,538	$1,751,599,380	$2,065,538,676

* Earlier of maturity date or interest reset date. Excludes cash.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)
Short-Term Rating						
R1-High	14.0	14.0	11.3	11.3	18.4	18.4
R1-Middle	8.2	8.2	12.7	12.7	5.3	5.3
R1-Low	17.7	17.7	17.6	17.6	11.4	11.4
Unrated	4.1	4.1				
Bond Credit Rating						
AAA	4.8	4.8	1.8	1.8	13.1	13.1
AA	28.5	28.5	31.9	31.8	25.5	25.5
A	21.7	21.7	23.7	23.7	26.3	26.2
BBB	1.0	1.0	1.0	1.0	–	–
Total	100.0	100.0	100.0	99.9	100.0	99.9

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$442,241	$ –	$4,000	$ –	$3,628
Redeemable units	1,804,444,076	–	1,751,750,321	–	2,068,303,536	–
	$1,804,444,076	$442,241	$1,751,750,321	$4,000	$2,068,303,536	$3,628

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Promissory Notes	0.6	–	–
Bankers' Acceptances	8.1	6.2	7.8
Bearers' Deposit Notes	2.8	1.8	2.3
Commercial Paper	32.5	33.5	25.0
Short-Term Bonds	56.0	58.4	64.8

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$1,804,737,538	$ –	$1,804,737,538

December 31, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$1,751,599,380	$ –	$1,751,599,380

January 1, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$2,065,538,676	$ –	$2,065,538,676

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. $ Money Market Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
	U.S. $	U.S. $	U.S. $
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$63,748,256	$69,237,964	$94,558,285
Cash	60,704	103,275	58,515
Accrued investment income	174,553	175,710	176,923
	63,983,513	69,516,949	94,793,723
LIABILITIES			
Current liabilities			
Distributions payable	5	–	68
Accrued expenses	9,019	–	–
	9,024	–	68
Net Assets attributable to holders of redeemable units	$63,974,489	$69,516,949	$94,793,655
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$63,974,489	$69,516,949	$94,793,655
UNITS OUTSTANDING			
Series A Units	6,397,449	6,951,695	9,479,365
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.00	$ 10.00	$ 10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
	U.S. $	U.S. $
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 79,994	$ 125,246
EXPENSES		
Management fees (note 5)	329,863	495,926
Harmonized Sales Tax/Goods and Services Tax	7,391	12,503
Audit fees	742	979
Independent Review Committee fees	98	140
Custodian fees	1,859	2,068
Filing fees	5,845	9,456
Legal fees	209	341
Unitholder reporting costs	3,325	3,751
Unitholder administration and service fees	12,598	15,298
Total expenses	361,930	540,462
Absorbed expenses	(298,587)	(435,438)
Net expenses	63,343	105,024
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 16,651	$ 20,222
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 16,651	$ 20,222
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.00	$ 0.00
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	6,651,942	8,094,372

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
	U.S. $	U.S. $
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 69,516,949	$ 94,793,655
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	16,651	20,222
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(16,651)	(20,222)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	19,170,644	27,971,766
Reinvested distributions		
Series A Units	16,651	20,117
Payments on redemption		
Series A Units	(24,729,755)	(46,627,761)
	(5,542,460)	(18,635,878)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(5,542,460)	(18,635,878)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$ 63,974,489	$ 76,157,777

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 16,651	$ 20,222
Adjustments For:		
Purchases of non-derivative financial assets	(146,302,161)	(157,932,837)
Proceeds from sale of non-derivative financial assets	151,791,869	176,626,819
Accrued investment income	1,157	1,123
Accrued expenses	9,019	11,809
Net cash provided by (used in) operating activities	5,516,535	18,727,136
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	19,170,710	27,971,766
Amounts paid on redemption of redeemable units	(24,729,755)	(46,627,761)
Distributions to unitholders of redeemable units	(61)	(146)
Net cash provided by (used in) financing activities	(5,559,106)	(18,656,141)
Net increase (decrease) in cash	(42,571)	70,995
Cash at beginning of period	103,275	58,515
CASH AT END OF PERIOD	$ 60,704	$ 129,510
Interest received(1)	126,585	61,849

(1) Classified as operating items.

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

Scotia U.S. $ Money Market Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S. $		U.S. $	U.S. $
MONEY MARKET INSTRUMENTS – 99.6%			
Promissory Notes – 2.3%			
	Province of Ontario		
1,000,000	0.00% due Jul. 9, 2014	999,920	999,981
	Province of Quebec		
454,000	0.00% due Oct. 28, 2014	453,750	453,803
		1,453,670	1,453,784
Bankers' Acceptances – 1.1%			
	Toronto-Dominion Bank, The		
700,000	0.00% due Jul. 7, 2014	699,930	699,987
Bearer's Deposit Notes – 11.7%			
	Bank of Montreal		
1,700,000	0.00% due Aug. 1, 2014	1,698,419	1,699,723
	Caisse Centrale Desjardins		
1,000,000	0.00% due Jul. 23, 2014	999,900	999,927
500,000	0.00% due Aug. 11, 2014	499,780	499,898
1,400,000	0.00% due Sep. 25, 2014	1,399,412	1,399,438
	HSBC Bank Canada		
1,900,000	0.00% due Oct. 30, 2014	1,891,564	1,897,223
	National Bank of Canada		
1,000,000	0.00% due Aug. 22, 2014	997,480	999,640
		7,486,555	7,495,849
Commercial Paper – 29.5%			
	Cenovus Energy Inc.		
1,700,000	0.00% due Jul. 17, 2014	1,699,847	1,699,856
	Canada Pension Plan Investment Board		
3,100,000	0.00% due Jul. 25, 2014	3,098,629	3,099,720
	Enbridge Inc.		
1,900,000	0.00% due Aug. 29, 2014	1,899,297	1,899,506
	Province of Ontario		
2,440,000	0.00% due Sep. 2, 2014	2,439,292	2,439,531
	Quebec Hydro		
5,860,000	0.00% due Jul. 25, 2014	5,859,357	5,859,682
2,600,000	0.00% due Aug. 1, 2014	2,599,740	2,599,793
	Suncor Inc.		
1,300,000	0.00% due Jul. 23, 2014	1,299,792	1,299,865
		18,895,954	18,897,953
Short Term Bonds – 55.0%			
	John Deere Capital Corporation (Floating Rate)		
800,000	0.35% due Jun. 15, 2015	800,981	801,098
	American Express Credit		
790,000	5.13% due Aug. 25, 2014	795,667	809,726
	American Honda Finance Corporation (Floating Rate)		
1,650,000	0.32% due Nov. 13, 2014	1,650,781	1,651,494
	Bank of Nova Scotia, The (Floating Rate)		
3,000,000	0.48% due Jan. 14, 2015	3,001,558	3,004,600
	Canadian Imperial Bank of Commerce (Floating Rate)		
700,000	0.47% due Nov. 5, 2014	700,053	700,557
2,400,000	0.93% due Feb. 20, 2015	2,410,534	2,413,092
	Caterpillar Inc. (Floating Rate)		
1,019,000	0.57% due Feb. 9, 2015	1,021,351	1,022,163
500,000	0.38% due Aug. 28, 2015	500,843	501,016
	Walt Disney Company, The (Floating Rate)		
1,800,000	0.21% due Feb. 11, 2015	1,800,743	1,801,235
	General Electric Company (Floating Rate)		
1,700,000	0.49% due Sep. 15, 2014	1,700,576	1,700,916
	IBM Corp		
1,400,000	0.20% due Feb. 4, 2015	1,400,255	1,400,705
	National Bank of Canada (Floating Rate)		
1,800,000	0.36% due Nov. 6, 2015	1,800,843	1,801,841
	Pfizer Inc.		
1,500,000	5.35% due Mar. 15, 2015	1,551,496	1,574,903
	Province of Ontario (Floating Rate)		
5,100,000	0.38% due Apr. 1, 2015	5,101,022	5,105,876
2,500,000	0.27% due Aug. 13, 2015	2,500,895	2,501,789
	Royal Bank of Canada (Floating Rate)		
1,400,000	0.44% due Apr. 29, 2015	1,400,256	1,401,309
1,500,000	0.45% due Dec. 16, 2015	1,502,115	1,502,378
	Toronto-Dominion Bank, The (Floating Rate)		
2,260,000	0.40% due May 1, 2015	2,261,505	2,262,871
	Toyota Credit Canada Inc. (Floating Rate)		
1,700,000	0.38% due Mar. 10, 2015	1,702,080	1,702,439
	Wal-Mart Stores Inc.		
1,500,000	2.88% due Apr. 1, 2015	1,529,894	1,540,675
		35,133,448	35,200,683
	TOTAL INVESTMENT PORTFOLIO	63,669,557	63,748,256
	OTHER ASSETS, LESS LIABILITIES – 0.4%		226,233
	NET ASSETS – 100.0%		63,974,489

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

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

Scotia U.S. $ Money Market Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as the World Bank. The Fund generally invests in securities with a maturity of up to one year. The Fund invests in securities with a credit rating of R1 (low) or better by an approved rating agency. The Fund's investments will have a maximum 180 average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next setting.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$63,748,256	$69,237,964	$94,558,285
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$63,748,256	$69,237,964	$94,558,285

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)
Short-Term Rating						
R1-High	13.2	13.1	33.4	33.3	16.9	16.9
R1-Middle	23.9	23.8	10.7	10.6	18.5	18.5
R1-Low	7.7	7.7	5.5	5.5	10.7	10.7
Bond Credit Rating						
AAA	–	–	–	–	3.6	3.6
AA	39.7	39.6	27.3	27.2	43.3	43.0
A	15.5	15.4	23.1	23.0	7.0	7.0
Total	100.0	99.6	100.0	99.6	100.0	99.7

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$9,024	$ –	$ –	$ –	$68
Redeemable units	63,974,489	–	69,516,949	–	94,793,655	–
	$63,974,489	$9,024	$69,516,949	$ –	$94,793,655	$68

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Treasury Bills	–	–	0.3
Promissory Notes	2.3	–	3.5
Bankers' Acceptances	1.1	–	0.4
Bearers' Deposit Notes	11.7	19.1	15.2
Commercial Paper	29.5	30.3	26.5
Short-Term Bonds	55.0	50.2	53.8

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$63,748,256	$ –	$63,748,256

December 31, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$69,237,964	$ –	$69,237,964

January 1, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$94,558,285	$ –	$94,558,285

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Short Term Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$77,027,446	$246,620,121	$139,470,251
Cash	2,767,823	4,925,681	1,165,528
Accrued investment income	500,033	1,234,768	738,074
Subscriptions receivable	4,000	–	–
	80,299,302	252,780,570	141,373,853
LIABILITIES			
Current liabilities			
Payable for securities purchased	2,114,954	–	–
Distributions payable	27,587	–	–
Accrued expenses	7,414	–	–
	2,149,955	–	–
Net Assets attributable to holders of redeemable units	$78,149,347	$252,780,570	$141,373,853
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$ 952,842	$ –	$ –
Series M Units	$77,196,505	$252,780,570	$141,373,853
UNITS OUTSTANDING			
Series I Units	96,066	–	–
Series M Units	7,829,369	25,623,512	14,198,785
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 9.92	$ –	$ –
Series M Units	$ 9.86	$ 9.87	$ 9.96

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 2,451,255	$ 2,480,365
Net realized gain (loss) on non-derivative financial assets	(836,905)	(115,742)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,287,220	(2,199,129)
Net gain (loss) on investments	2,901,570	165,494
Securities lending	7,145	3,191
Total income (loss)	2,908,715	168,685
EXPENSES		
Management fees (note 5)	63,266	60,839
Harmonized Sales Tax/Goods and Services Tax	7,314	7,048
Audit fees	2,127	2,088
Independent Review Committee fees	278	304
Custodian fees	1,358	438
Filing fees	8,770	7,058
Legal fees	547	788
Unitholder reporting costs	2,474	2,797
Unitholder administration and service fees	11,931	9,195
Total expenses	98,065	90,555
Absorbed expenses	(1)	–
Net expenses	98,064	90,555
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 2,810,651	$ 78,130
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units**	$ 6,208	$ –
Series M Units	$ 2,804,443	$ 78,130
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units**	$ 0.09	$ –
Series M Units	$ 0.15	$ –
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units**	69,192	–
Series M Units	18,307,763	17,843,772

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

** Start date January 27, 2014.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units**	$ –	$ –
Series M Units	252,780,570	141,373,853
	252,780,570	141,373,853
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units**	6,208	–
Series M Units	2,804,443	78,130
	2,810,651	78,130
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I Units**	(10,389)	–
Series M Units	(2,624,903)	(2,571,798)
	(2,635,292)	(2,571,798)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units**	1,188,334	–
Series M Units	57,441,638	78,409,928
Reinvested distributions		
Series I Units**	10,389	–
Series M Units	2,225,317	2,108,213
Payments on redemption		
Series I Units**	(241,700)	–
Series M Units	(235,430,560)	(16,982,072)
	(174,806,582)	63,536,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units**	952,842	–
Series M Units	(175,584,065)	61,042,401
	(174,631,223)	61,042,401
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units**	952,842	–
Series M Units	77,196,505	202,416,254
	$ 78,149,347	$202,416,254

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,810,651	$ 78,130
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	836,905	115,742
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,287,220)	2,199,129
Purchases of non-derivative financial assets	(193,098,586)	(156,309,357)
Proceeds from sale of non-derivative financial assets	365,256,530	94,382,337
Accrued investment income	734,735	(14,199)
Accrued expenses	7,414	15,856
Net cash provided by (used in) operating activities	175,260,429	(59,532,362)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	58,625,972	78,409,928
Amounts paid on redemption of redeemable units	(235,672,259)	(16,982,072)
Distributions to unitholders of redeemable units	(372,000)	(389,101)
Net cash provided by (used in) financing activities	(177,418,287)	61,038,755
Net increase (decrease) in cash	(2,157,858)	1,506,393
Cash at beginning of period	4,925,681	1,165,528
CASH AT END OF PERIOD	$ 2,767,823	$ 2,671,921
Interest received(1)	3,185,990	2,466,166

(1) Classified as operating items.

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

Scotia Short Term Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 98.6%			
Federal Bonds – 27.9%			
	Canada Housing Trust No. 1		
16,300,000	2.75% due Dec. 15, 2015	16,691,362	16,684,912
5,000,000	2.75% due Jun. 15, 2016	5,154,589	5,147,730
		21,845,951	21,832,642
Provincial Bonds – 15.5%			
	Province of Ontario		
11,500,000	4.40% due Mar. 8, 2016	12,198,510	12,111,793
Mortgage-Backed Securities – 0.1%			
	Schooner Trust		
75,000	4.36% due Sep. 12, 2020	78,305	77,137
Corporate Bonds – 55.1%			
	Anheuser-Busch InBev Finance Inc.		
3,500,000	2.38% due Jan. 25, 2018	3,483,130	3,547,324
	Bank of Montreal		
2,300,000	3.10% due Mar. 10, 2016	2,356,541	2,360,325
	Canadian Imperial Bank of Commerce		
4,880,000	2.35% due Oct. 18, 2017	4,880,990	4,941,129
	Ford Credit Canada Limited		
2,000,000	3.70% due Aug. 2, 2018	2,084,340	2,091,091
	Genesis Trust II		
4,900,000	2.30% due Feb. 15, 2017	4,900,000	4,965,404
	Golden Credit Card Trust		
250,000	3.51% due May 15, 2016	260,170	258,675
	HSBC Bank of Canada		
2,245,000	2.90% due Jan. 13, 2017	2,295,846	2,304,655
	Master Credit Card Trust		
5,040,000	2.72% due Nov. 21, 2018	5,040,000	5,155,289
	National Bank of Canada		
2,310,000	3.58% due Apr. 26, 2016	2,402,819	2,389,574
	Rogers Communications Inc.		
3,750,000	2.80% due Mar. 13, 2019	3,748,950	3,792,833
	Royal Bank of Canada		
4,920,000	2.36% due Sep. 21, 2017	4,929,921	4,983,881
	VW Credit Canada, Inc.		
3,330,000	2.45% due Nov. 14, 2017	3,324,073	3,382,184
	Wells Fargo Financial Canada Corporation		
2,765,000	2.77% due Feb. 9, 2017	2,800,213	2,833,510
		42,506,993	43,005,874
	TOTAL INVESTMENT PORTFOLIO	76,629,759	77,027,446
	OTHER ASSETS, LESS LIABILITIES – 1.4%		1,121,901
	NET ASSETS – 100.0%		78,149,347

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

Scotia Short Term Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, any agency of such governments and Canadian corporations.
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$252,606,928	$141,262,001
Revaluation of Investments at FVTPL	173,642	111,852
Net assets attributable to holders of redeemable units	$252,780,570	$141,373,853

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$37,865
Revaluation of Investments at FVTPL	40,265
Increase (decrease) in net assets attributable to holders of redeemable units	$78,130

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ 10,440,006	$ –
1-3 years	49,133,714	125,183,544	56,286,112
3-5 years	27,893,732	110,996,571	83,184,139
5-10 years	–	–	–
> 10 years	–	–	–
Total	$77,027,446	$246,620,121	$139,470,251

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $482,761 or approximately 0.6% of total net assets attributable to holders of redeemable units (December 31, 2013 – $1,630,456 or approximately 0.6% net assets attributable to holders of redeemable units, January 1, 2013 – $978,489 or approximately 0.7% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	41.9	41.3	44.0	42.9	47.5	46.8
AA	41.4	40.9	32.1	31.3	31.9	31.4
A	9.0	8.9	15.7	15.4	16.6	16.4
BBB	7.7	7.5	8.2	8.0	4.0	4.0
Total	100.0	98.6	100.0	97.6	100.0	98.6

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,149,955	$ –	$ –	$ –	$ –
Redeemable units	78,149,347	–	252,780,570		141,373,853	–
	$78,149,347	$2,149,955	$252,780,570	$ –	$141,373,853	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	27.9	38.9	46.6
Provincial Bonds	15.5	18.5	17.6
Mortgage-Backed Securities	0.1	0.0	0.1
Corporate Bonds	55.1	40.2	34.3

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$ 77,027,446	$ –	$ 77,027,446

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$246,620,121	$ –	$246,620,121

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$139,470,251	$ –	$139,470,251

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private Short-Mid Government Bond Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,451,898,656	$1,290,128,353	$1,217,624,925
Cash	39,548,895	56,635	11,973,530
Accrued investment income	3,173,077	4,409,862	2,839,288
Subscriptions receivable	5,025,963	777,291	1,527,999
Margin deposited on futures	–	400,893	103,400
	1,499,646,591	1,295,773,034	1,234,069,142
LIABILITIES			
Current liabilities			
Distributions payable	379,971	–	–
Redemptions payable	2,648,063	379,691	663,922
Accrued expenses	90,798	–	–
	3,118,832	379,691	663,922
Net Assets attributable to holders of redeemable units	$1,496,527,759	$1,295,393,343	$1,233,405,220
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$ 441,637,686	$ 560,942,762	$ 479,072,115
Series M Units	$1,054,890,073	$ 734,450,581	$ 754,333,105
UNITS OUTSTANDING			
Series I Units	41,946,998	54,028,595	45,018,188
Series M Units	100,130,183	70,727,424	70,869,754
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 10.53	$ 10.38	$ 10.64
Series M Units	$ 10.54	$ 10.38	$ 10.64

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$18,454,217	$ 19,045,472
Net realized gain (loss) on non-derivative financial assets	(3,521,914)	1,820,361
Net realized gain (loss) on futures contracts	(2,847,418)	1,618,728
Change in unrealized appreciation (depreciation) of non-derivative financial assets	27,904,274	(34,604,026)
Net gain (loss) on investments	39,989,159	(12,119,465)
Securities lending	38,333	22,813
Total income (loss)	40,027,492	(12,096,652)
EXPENSES		
Management fees (note 5)	301,218	266,278
Harmonized Sales Tax/Goods and Services Tax	40,325	36,009
Audit fees	14,098	15,601
Independent Review Committee fees	1,959	2,304
Custodian fees	9,074	7,158
Filing fees	15,148	8,033
Legal fees	4,229	5,648
Unitholder reporting costs	5,489	8,248
Unitholder administration and service fees	87,097	69,373
Overdraft charges	78	–
Transaction costs	4,306	5,541
Total expenses	483,021	424,193
Absorbed expenses	–	(63)
Net expenses	483,021	424,130
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$39,544,471	$(12,520,782)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$14,604,684	(5,272,463)
Series M Units	$24,939,787	(7,248,319)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 0.33	$ (0.10)
Series M Units	$ 0.30	$ (0.10)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	43,988,879	53,250,011
Series M Units	82,679,409	73,076,179

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private Short-Mid Government Bond Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$ 560,942,762	$ 479,072,115
Series M Units	734,450,581	754,333,105
	1,295,393,343	1,233,405,220
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	14,604,684	(5,272,463)
Series M Units	24,939,787	(7,248,319)
	39,544,471	(12,520,782)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I Units	(6,952,699)	(8,707,395)
Series M Units	(12,616,042)	(11,592,167)
	(19,568,741)	(20,299,562)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	36,490,450	136,473,899
Series M Units	411,281,390	156,306,513
Reinvested distributions		
Series I Units	6,952,708	8,707,379
Series M Units	10,789,335	10,092,560
Payments on redemption		
Series I Units	(170,400,219)	(14,650,153)
Series M Units	(113,954,978)	(106,243,078)
	181,158,686	190,687,120
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	(119,305,076)	116,551,267
Series M Units	320,439,492	41,315,509
	201,134,416	157,866,776
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	441,637,686	595,623,382
Series M Units	1,054,890,073	795,648,614
	$1,496,527,759	$1,391,271,996

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 39,544,471	$ (12,520,782)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	3,521,914	(1,820,361)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(27,904,274)	34,604,026
Purchases of non-derivative financial assets	(1,525,109,181)	(1,560,466,724)
Proceeds from sale of non-derivative financial assets	1,387,721,238	1,359,941,611
Accrued investment income	1,236,785	(1,723,457)
Accrued expenses	90,798	68,981
Change in margin accounts for futures contracts	400,893	(74,661)
Net cash provided by (used in) operating activities	(120,497,356)	(181,991,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	443,523,168	291,856,919
Amounts paid on redemption of redeemable units	(282,086,825)	(120,523,664)
Distributions to unitholders of redeemable units	(1,446,727)	(1,299,332)
Net cash provided by (used in) financing activities	159,989,616	170,033,923
Net increase (decrease) in cash	39,492,260	(11,957,444)
Cash at beginning of period	56,635	11,973,530
CASH AT END OF PERIOD	$ 39,548,895	$ 16,086
Interest received(1)	19,691,002	17,322,015

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 97.2%			
Federal Bonds – 47.0%			
	Canada Housing Trust No. 1		
516,035,000	2.75% due Dec. 15, 2015	530,242,210	528,220,759
69,440,000	2.75% due Jun. 15, 2016	71,845,898	71,491,671
100,000,000	2.65% due Mar. 15, 2022	100,887,890	102,027,322
		702,975,998	701,739,752
Provincial Bonds – 50.2%			
	Financement-Quebec		
95,000,000	2.40% due Dec. 1, 2018	95,871,150	96,933,094
50,000,000	2.45% due Dec. 1, 2019	49,999,000	50,653,265
	Province of Alberta		
100,000,000	2.00% due Jun. 1, 2019	100,464,100	100,671,824
	Province of British Columbia		
25,000,000	3.70% due Dec. 18, 2020	27,742,250	27,192,145
	Province of New Brunswick		
40,000,000	3.35% due Dec. 3, 2021	41,828,800	41,854,022
67,200,000	2.85% due Jun. 2, 2023	66,251,256	66,732,248
	Province of Nova Scotia		
45,000,000	4.10% due Jun. 1, 2021	49,277,100	49,508,891
	Province of Ontario		
160,000,000	4.40% due Jun. 2, 2019	177,228,800	177,665,146
135,000,000	3.15% due Jun. 2, 2022	133,909,750	138,948,269
		742,572,206	750,158,904
	TOTAL INVESTMENT PORTFOLIO	1,445,548,204	1,451,898,656
	OTHER ASSETS, LESS LIABILITIES – 2.8%		44,629,103
	NET ASSETS – 100.0%		1,496,527,759

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

Scotia Private Short-Mid Government Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, or any agency of such governments.
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$1,294,963,832	$1,232,989,390
Revaluation of Investments at FVTPL	429,511	415,830
Net assets attributable to holders of redeemable units	$1,295,393,343	$1,233,405,220

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(12,540,106)
Revaluation of Investments at FVTPL	19,324
Increase (decrease) in net assets attributable to holders of redeemable units	$(12,520,782)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	599,712,429	380,481,054	199,694,551
3-5 years	375,270,067	422,353,228	183,477,723
5-10 years	476,916,160	487,294,071	834,452,650
> 10 years	–	–	–
Total	$1,451,898,656	$1,290,128,353	$1,217,624,924

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $14,728,045 or approximately 1.0% of total net assets attributable to holders of redeemable units (December 31, 2013 – $15,476,925 or approximately 1.2% net assets attributable to holders of redeemable units, January 1, 2013 – $16,217,565 or approximately 1.3% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	55.3	53.6	57.2	57.0	62.2	61.4
AA	23.7	23.0	27.2	27.1	24.6	24.3
A	21.0	20.6	15.6	15.5	13.2	13.0
Total	100.0	97.2	100.0	99.6	100.0	98.7

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,118,832	$ –	$379,691	$ –	$663,922
Redeemable units	1,496,527,759	–	1,295,393,343	–	1,233,405,220	–
	$1,496,527,759	$3,118,832	$1,295,393,343	$379,691	$1,233,405,220	$663,922

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	47.0	57.0	61.4
Provincial Bonds	50.2	42.6	37.3
Futures Contracts	–	0.0	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$1,451,898,656	$ –	$1,451,898,656

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$1,290,128,353	$ –	$1,290,128,353
Futures Contracts (Short)	635,950	–	–	635,950
	$635,950	$1,290,128,353	$ –	$1,290,764,303

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$1,217,624,925	$ –	$1,217,624,925
Futures Contracts (Short)	81,200	–	–	81,200
	$ 81,200	$1,217,624,925	$ –	$1,217,706,125

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Mortgage Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$238,121,606	$269,371,247	$290,387,261
Cash	26,957,178	27,953,852	29,231,291
Accrued investment income	343,707	372,253	422,312
Subscriptions receivable	119,330	53,114	42,050
Mortgage payments receivable	1,326,121	973,656	755,314
	266,867,942	298,724,122	320,838,228
LIABILITIES			
Current liabilities			
Distributions payable	83,154	140	116
Redemptions payable	147,032	118,885	102,293
Accrued expenses	181,689	–	–
	411,875	119,025	102,409
Net Assets attributable to holders of redeemable units	$266,456,067	$298,605,097	$320,735,819
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$139,015,997	$152,001,209	$195,837,906
Series F Units	$ 487,953	$ 922,801	$ 1,555,088
Series I Units	$103,674,030	$145,681,087	$123,342,825
Series M Units	$ 23,278,087	$ –	$ –
UNITS OUTSTANDING			
Series A Units	12,914,108	14,152,913	18,130,071
Series F Units	45,458	86,127	144,342
Series I Units	9,715,218	13,652,839	11,492,364
Series M Units	2,318,425	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.76	$ 10.74	$ 10.80
Series F Units	$ 10.73	$ 10.71	$ 10.77
Series I Units	$ 10.67	$ 10.67	$ 10.73
Series M Units	$ 10.04	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 5,393,677	$ 5,184,780
Net realized gain (loss) on non-derivative financial assets	(29,987)	76,306
Change in unrealized appreciation (depreciation) of non-derivative financial assets	871,751	(765,489)
Net gain (loss) on investments	6,235,441	4,495,597
Other income	2,175	1,721
Total income (loss)	6,237,616	4,497,318
EXPENSES		
Management fees (note 5)	906,575	1,124,262
Harmonized Sales Tax/Goods and Services Tax	172,502	210,863
Audit fees	3,127	3,676
Independent Review Committee fees	428	536
Custodian fees	4	33
Filing fees	15,183	10,799
Legal fees	899	1,323
Unitholder reporting costs	9,767	11,051
Unitholder administration and service fees	68,188	82,150
Mortgage service fees	581,157	624,547
Overdraft charges	–	229
Total expenses	1,757,830	2,069,469
Absorbed expenses	(133,176)	(149,654)
Net expenses	1,624,654	1,919,815
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 4,612,962	$ 2,577,503
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 1,748,551	$ 954,427
Series F Units	$ 13,370	$ 11,339
Series I Units	$ 2,608,182	$ 1,611,737
Series M Units**	$ 242,859	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.13	$ 0.06
Series F Units	$ 0.18	$ 0.09
Series I Units	$ 0.22	$ 0.14
Series M Units**	$ 0.16	$ –
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	13,458,224	16,939,931
Series F Units	75,904	122,381
Series I Units	12,117,092	11,877,509
Series M Units**	1,529,531	–

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

** Start date January 27, 2014.

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

Scotia Mortgage Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$152,001,209	$195,837,906
Series F Units	922,801	1,555,088
Series I Units	145,681,087	123,342,825
Series M Units*	–	–
	298,605,097	320,735,819
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	1,748,551	954,427
Series F Units	13,370	11,339
Series I Units	2,608,182	1,611,737
Series M Units*	242,859	–
	4,612,962	2,577,503
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(1,388,919)	(1,552,855)
Series F Units	(9,991)	(15,771)
Series I Units	(2,207,748)	(2,116,903)
Series M Units*	(244,589)	–
	(3,851,247)	(3,685,529)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	6,560,993	5,032,729
Series F Units	14,300	47,000
Series I Units	9,468,418	5,126,916
Series M Units*	25,323,678	–
Reinvested distributions		
Series A Units	1,319,982	1,480,298
Series F Units	9,540	14,931
Series I Units	2,207,747	2,116,898
Payments on redemption		
Series A Units	(21,225,819)	(30,970,524)
Series F Units	(462,067)	(497,927)
Series I Units	(54,083,656)	–
Series M Units*	(2,043,861)	–
	(32,910,745)	(17,649,679)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(12,985,212)	(25,055,925)
Series F Units	(434,848)	(440,428)
Series I Units	(42,007,057)	6,738,648
Series M Units*	23,278,087	–
	(32,149,030)	(18,757,705)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	139,015,997	170,781,981
Series F Units	487,953	1,114,660
Series I Units	103,674,030	130,081,473
Series M Units*	23,278,087	–
	$266,456,067	$301,978,114

* Start date January 27, 2014.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 4,612,962	$ 2,577,503
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	29,987	(76,306)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(871,751)	765,489
Purchases of non-derivative financial assets	(151,204,776)	(98,864,015)
Proceeds from sale of non-derivative financial assets	182,943,716	108,705,163
Accrued investment income	28,546	286,854
Accrued expenses	181,689	194,985
Net cash provided by (used in) operating activities	35,720,373	13,589,673
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	41,301,173	10,238,583
Amounts paid on redemption of redeemable units	(77,787,256)	(31,429,175)
Distributions to unitholders of redeemable units	(230,964)	(62,982)
Net cash provided by (used in) financing activities	(36,717,047)	(21,253,574)
Net increase (decrease) in cash	(996,674)	(7,663,901)
Cash at beginning of period	27,953,852	29,231,291
CASH AT END OF PERIOD	$ 26,957,178	$ 21,567,390
Interest received(1)	5,422,223	5,471,634

(1) Classified as operating items.

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

Scotia Mortgage Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Interest Rate (%)	Number	Principal Balance ($)	Amortized Cost ($)	Market Value ($)
CONVENTIONAL MORTGAGES – 89.3%				
0.50 – 0.74	1	221,401	213,063	214,148
1.00 – 1.24	1	115,234	110,850	112,464
1.75 – 1.99	1	292,876	288,369	289,965
2.25 – 2.49	7	922,589	918,360	916,683
2.50 – 2.74	66	16,452,495	16,474,850	16,509,367
2.75 – 2.99	608	78,489,764	78,776,751	79,293,299
3.00 – 3.24	59	6,837,484	6,871,031	6,921,156
3.25 – 3.49	246	41,567,126	41,683,520	42,532,898
3.50 – 3.74	169	22,238,277	22,330,288	22,617,159
3.75 – 3.99	218	21,723,354	21,831,737	22,096,536
4.00 – 4.24	107	4,443,611	4,465,795	4,502,367
4.25 – 4.49	34	2,150,113	2,167,588	2,174,122
4.50 – 4.74	315	33,809,015	33,832,766	33,842,711
4.75 – 4.99	2	61,229	61,469	61,649
5.00 – 5.24	7	1,054,068	1,051,956	1,110,242
5.25 – 5.49	4	863,965	863,520	933,405
5.50 – 5.74	9	974,322	979,314	1,028,886
5.75 – 5.99	8	899,683	907,710	949,332
6.50 – 6.74	12	1,865,107	1,872,026	1,895,599
7.00 – 7.24	1	106,477	111,936	119,618
TOTAL	1,875	235,088,190	235,812,899	238,121,606
TOTAL INVESTMENT PORTFOLIO			235,812,899	238,121,606
OTHER ASSETS, LESS LIABILITIES – 10.7%				28,334,461
NET ASSETS – 100%				266,456,067

Mortgages by Geographic Location

As at June 30, 2014

Province	Number of Mortgages	Principal Balance ($)	Market Value ($)
Ontario	696	91,138,961	92,276,736
Alberta	308	44,138,849	44,668,611
British Columbia	242	43,033,321	43,636,221
Quebec	196	21,261,492	21,565,109
Nova Scotia	112	7,551,350	7,644,933
Newfoundland and Labrador	98	7,526,780	7,606,101
New Brunswick	83	5,883,298	5,968,730
Saskatchewan	77	9,399,344	9,524,368
Manitoba	44	3,653,812	3,710,284
Prince Edward Island	15	1,215,125	1,229,052
Yukon Territories	1	74,789	76,249
Northwest Territories	3	211,069	215,212
	1,875	235,088,190	238,121,606

Mortgages by Type of Property

As at June 30, 2014

	Number of Mortgages	Principal Balance ($)	Market Value ($)
Single Family Dwelling	1,494	187,406,152	190,047,903
Condominiums	249	31,989,081	32,259,727
Multi-Unit Dwelling of up to 8 Units	132	15,692,957	15,813,976
TOTAL	1,875	235,088,190	238,121,606

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

Scotia Mortgage Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada. The mortgages purchased by the Fund are generally either:

- insured or guaranteed by Canadian federal or provincial governments or their agencies, or
- conventional first mortgages with loan-to-value ratios of no more than 80%, unless the excess is insured by an insurance company registered or licensed under federal or provincial legislation.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

	June 30, 2014	December 31, 2013	January 1, 2013
	Percentage of Net Assets (%)	Percentage of Net Assets (%)	Percentage of Net Assets (%)
Mortgages of more than 7 years to 10 years	0.0	0.3	0.1
Mortgages of more than 6 years to 7 years	0.1	0.1	0.1
Mortgages of more than 5 years to 6 years	0.0	0.0	0.1
Mortgages of more than 4 years to 5 years	1.6	3.7	6.9
Mortgages of more than 3 years to 4 years	2.0	9.4	16.6
Mortgages of more than 2 years to 3 years	41.1	27.3	18.0
Mortgages of more than 1 years to 2 years	13.2	18.9	19.6
Mortgages of more than 6 months to 1 year	14.5	3.4	7.0
Mortgages of 6 months or less	16.8	27.1	22.1
Total	89.3	90.2	90.5

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $997,246 or approximately 0.4% of total net assets attributable to holders of redeemable units (December 31, 2013 – $1,126,808 or approximately 0.4% net assets attributable to holders of redeemable units, January 1, 2013 – $1,283,111 or approximately 0.4% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Credit risk

As the Fund invests primarily in mortgages, this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer and accordingly, represents the maximum credit risk exposure to the Fund. The Bank of Nova Scotia ("Scotiabank") will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation or from Scotiabank.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$411,875	$ –	$119,025	$ –	$102,409
Redeemable units	266,456,067	–	298,605,097	–	320,735,819	–
	$266,456,067	$411,875	$298,605,097	$119,025	$320,735,819	$102,409

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Conventional Mortgages	89.3	90.2	90.5

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Conventional Mortgages	$ –	$238,121,606	$ –	$238,121,606

December 31, 2013	Level 1	Level 2	Level 3	Total
Conventional Mortgages	$ –	$269,371,247	$ –	$269,371,247

January 1, 2013	Level 1	Level 2	Level 3	Total
Conventional Mortgages	$ –	$290,387,261	$ –	$290,387,261

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Floating Rate Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014
ASSETS	
Current assets	
Investments	
Non-derivative financial assets	$583,102,015
Unrealized gain on currency forward contracts	1,861,500
Cash	11,960,474
Accrued investment income	3,946,229
Subscriptions receivable	799,629
	601,669,847
LIABILITIES	
Current liabilities	
Distributions payable	157,830
Redemptions payable	23,399
Accrued expenses	27,294
Unrealized loss on swap contracts	1,768,691
	1,977,214
Net Assets attributable to holders of redeemable units	$599,692,633
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I Units	$523,974,953
Series M Units	$ 75,717,680
UNITS OUTSTANDING	
Series I Units	52,204,275
Series M Units	7,533,742
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I Units	$ 10.04
Series M Units	$ 10.05

STATEMENTS OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
INCOME	
Net gain (loss) on investments (note 2)	
Interest for distribution purposes	$ 5,632,518
Net realized gain (loss) on non-derivative financial assets	(176,039)
Net realized gain (loss) on currency forwards	1,007,742
Net gain (loss) foreign exchange	(4,786)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(239,786)
Change in unrealized appreciation (depreciation) of currency forwards	1,861,500
Change in unrealized appreciation (depreciation) of swap contracts	(1,768,691)
Net gain (loss) on investments	6,312,458
Securities lending	7,040
Total income (loss)	6,319,498
EXPENSES	
Management fees (note 5)	16,572
Harmonized Sales Tax/Goods and Services Tax	3,861
Audit fees	4,001
Independent Review Committee fees	569
Legal fees	1,284
Unitholder reporting costs	2,858
Unitholder administration and service fees	26,731
Total expenses	55,876
Absorbed expenses	(3)
Net expenses	55,873
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 6,263,625
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I Units	$ 5,398,696
Series M Units	$ 864,929
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*	
Series I Units	$ 0.13
Series M Units	$ 0.14
WEIGHTED AVERAGE NUMBER OF UNITS	
Series I Units	41,423,701
Series M Units	5,991,675

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD	
Series I Units	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I Units	5,398,696
Series M Units	864,929
	6,263,625
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS	
From net investment income	
Series I Units	(4,276,512)
Series M Units	(594,723)
	(4,871,235)
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series I Units	519,253,509
Series M Units	84,532,734
Reinvested distributions	
Series I Units	4,276,479
Payments on redemption	
Series I Units	(677,219)
Series M Units	(9,085,260)
	598,300,243
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I Units	523,974,953
Series M Units	75,717,680
	599,692,633
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD	
Series I Units	523,974,953
Series M Units	75,717,680
	$599,692,633

STATEMENTS OF CASH FLOWS

For the period ended June 30,

	2014**
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	$ 6,263,625
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	176,039
Net realized gain (loss) foreign exchange on cash	4,786
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	239,786
Change in unrealized appreciation (depreciation) of forward currency contracts	(1,861,500)
Change in unrealized appreciation (depreciation) of swap contracts	1,768,691
Purchases of non-derivative financial assets	(1,020,097,181)
Proceeds from sale of non-derivative financial assets	436,579,341
Accrued investment income	(3,946,229)
Accrued expenses	27,294
Net cash provided by (used in) operating activities	(580,845,348)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	602,986,614
Amounts paid on redemption of redeemable units	(9,739,080)
Distributions to unitholders of redeemable units	(436,926)
Net cash provided by (used in) financing activities	592,810,608
Net gain (loss) foreign exchange on cash	(4,786)
Net increase (decrease) in cash	11,965,260
CASH AT END OF PERIOD	$ 11,960,474
Interest received(1)	1,686,289

** Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

(1) Classified as operating items.

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

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 97.3%			
Mortgage-backed Securities – 1.5%			
	BlueMountian CLO Ltd., Series 2013-1A, Class 1A (callable) (Floating Rate)		
3,300,000	1.42% due May 15, 2025-(2015)	3,610,203	3,496,509
	BlueMountian CLO Ltd., Series 2014-1A, Class A (callable) (Floating Rate)		
5,000,000	1.75% due Apr. 30, 2026-(2016)	5,592,226	5,342,634
		9,202,429	8,839,143
Corporate Bonds – 95.8%			
	AltaGas Ltd.		
5,450,000	4.07% due Jun. 1, 2020	5,733,360	5,830,634
	AltaGas Ltd. (Floating Rate)		
6,350,000	0.95% due Mar. 24, 2016	7,079,540	6,813,815
	American Express Canada		
10,000,000	2.31% due Mar. 29, 2018	10,009,900	10,094,868
	Aon Corporation		
12,789,000	4.76% due Mar. 8, 2018	13,787,818	13,737,879
	Ares Clo Ltd.		
3,000,000	1.62% due Jan. 17, 2024	3,246,622	3,196,325
	ARES XXVI CLO Ltd. (Floating Rate)		
3,300,000	1.33% due Apr. 15, 2025	3,607,736	3,483,793
	AT&T Inc.		
4,000,000	2.30% due Mar. 11, 2019	4,414,985	4,315,915
	Bank of America, N.A.		
5,000,000	1.25% due Feb. 14, 2017	5,502,429	5,343,499
	Bank of Montreal		
10,000,000	3.98% due Jul. 8, 2016	10,468,400	10,423,184
7,000,000	2.24% due Dec. 11, 2017	7,019,390	7,064,891
	Bank of Nova Scotia, The		
7,000,000	2.10% due Nov. 8, 2016	7,055,300	7,057,698
	Bank of Nova Scotia, The (callable)		
10,000,000	2.90% due Aug. 3, 2022-(2017)	10,211,500	10,256,803
	bdIMC Realty Corporation		
1,000,000	2.96% due Mar. 7, 2019	1,024,150	1,032,521
	Bell Aliant Regional Communications, Limited Partnership (Floating Rate)		
500,000	1.80% due Apr. 22, 2016	500,000	500,035
5,000,000	5.41% due Sep. 26, 2016	5,417,900	5,378,913
4,500,000	4.37% due Sep. 13, 2017	4,792,680	4,797,561
3,150,000	4.88% due Apr. 26, 2018	3,417,061	3,435,501
	Bell Canada		
5,750,000	5.00% due Feb. 15, 2017	6,231,078	6,202,075
2,500,000	4.40% due Mar. 16, 2018	2,679,325	2,695,823
5,000,000	3.50% due Sep. 10, 2018	5,173,700	5,234,403
	BMW Canada Inc.		
3,250,000	1.73% due Sep. 26, 2016	3,249,935	3,254,992
3,000,000	2.33% due Sep. 26, 2018	2,998,860	3,022,517
	Brookfield Asset Management Inc.		
9,000,000	3.95% due Apr. 9, 2019	9,333,540	9,459,933
	Calloway Real Estate Investment Trust		
5,000,000	3.75% due Feb. 11, 2021	5,003,950	5,117,642
	Cameco Corporation		
4,658,000	5.67% due Sep. 2, 2019	5,258,460	5,264,577
	Canadian Imperial Bank of Commerce		
970,000	2.65% due Nov. 8, 2016	993,814	990,225
5,750,000	3.15% due Nov. 2, 2020	5,883,113	5,862,457
	Canadian Imperial Bank of Commerce (callable)		
8,500,000	4.11% due Apr. 30, 2020-(2015)	8,748,965	8,680,421
	Chesapeake Energy Corporation (callable) (Floating Rate)		
2,200,000	3.48% due Apr. 15, 2019-(2015)	2,404,056	2,392,917
	Choice Properties LP		
1,250,000	3.00% due Apr. 20, 2017	1,277,788	1,279,072
2,500,000	3.00% due Sep. 20, 2019	2,495,275	2,515,932
17,000,000	3.60% due Apr. 20, 2020	17,368,730	17,515,591

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Choice Properties Real Estate Investment Trust		
1,000,000	3.55% due Jul. 5, 2018	1,042,120	1,042,369
	CIT Group, Inc.		
2,000,000	3.88% due Feb. 19, 2019	2,199,494	2,169,501
	Citigroup Inc.		
1,600,000	2.55% due Apr. 8, 2019	1,762,487	1,724,864
	CNH Industrial Capital LLC		
10,375,000	3.38% due Jul. 15, 2019	11,064,720	11,027,049
	Cominar Real Estate Investment Trust		
5,000,000	4.27% due Jun. 15, 2017	5,209,075	5,211,945
3,500,000	4.23% due Dec. 4, 2019	3,505,355	3,569,870
3,350,000	4.94% due Jul. 27, 2020	3,445,174	3,501,220
	Crombie Real Estate Investment Trust		
2,500,000	3.96% due Jun. 1, 2021	2,509,825	2,550,169
	Daimler Canada Finance Inc.		
6,700,000	2.23% due Apr. 18, 2016	6,764,320	6,768,123
4,900,000	2.27% due Mar. 26, 2018	4,899,608	4,928,969
	Dollarama Inc.		
11,900,000	3.10% due Nov. 5, 2018	12,084,216	12,152,827
	Dream Office Real Estate Investment Trust		
5,700,000	3.42% due Jun. 13, 2018	5,709,114	5,771,846
5,900,000	4.07% due Jan. 21, 2020	5,973,557	6,024,299
	Enbridge Inc.		
4,183,000	4.85% due Nov. 12, 2020	4,572,354	4,646,010
	Enbridge Income Fund		
127,000	4.10% due Feb. 22, 2019	135,101	135,361
	First Capital Realty Inc.		
382,000	4.95% due Nov. 30, 2018	417,106	417,459
	Ford Credit Canada Limited		
700,000	3.32% due Dec. 19, 2017	719,292	722,850
3,700,000	3.70% due Aug. 2, 2018	3,864,428	3,868,518
14,000,000	2.94% due Feb. 19, 2019	14,001,560	14,167,117
	GATX Corp.		
2,400,000	2.50% due Jul. 30, 2019	2,670,006	2,572,202
	General Electric Capital Corporation		
6,350,000	2.42% due May 31, 2018	6,370,766	6,432,092
	General Motors Financial of Canada Ltd.		
15,700,000	3.25% due May 30, 2017	15,702,500	15,773,267
	Genesis Trust II		
4,000,000	2.43% due May 15, 2019	4,000,000	4,031,332
	Goldman Sachs Group, Inc.		
9,900,000	3.38% due Feb. 1, 2018	10,160,222	10,228,141
	H&R Real Estate Investment Trust		
1,250,000	5.90% due Feb. 3, 2017	1,371,888	1,362,188
3,500,000	3.34% due Jun. 20, 2018	3,537,485	3,582,748
4,000,000	4.45% due Mar. 2, 2020	4,168,560	4,248,221
	HCA Inc.		
1,000,000	3.75% due Mar. 15, 2019	1,107,849	1,083,033
	HCA Inc. (callable)		
2,500,000	7.25% due Sep. 15, 2020-(Mar. 15, 2015)	3,002,685	2,864,489
	Hollis Receivables Term Trust		
8,500,000	2.43% due Jun. 26, 2019	8,500,000	8,536,075
	HSBC Bank of Canada		
13,250,000	2.57% due Nov. 23, 2015	13,467,503	13,437,339
1,000,000	2.49% due May 13, 2019	1,000,000	1,006,053
	HSBC USA Inc.		
3,500,000	2.25% due Jun. 23, 2019	3,784,727	3,747,170
	Industrial Alliance Insurance & Financial Services Inc. (callable)		
1,700,000	4.75% due Dec. 14, 2021-(2016)	1,815,430	1,811,467
3,700,000	2.80% due May 16, 2024-(2019)	3,698,113	3,729,541
	JPMorgan Chase & Co.		
16,700,000	2.92% due Sep. 19, 2017	17,060,319	17,118,810
4,000,000	3.19% due Mar. 5, 2021	3,998,520	4,045,879

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

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	JPMorgan Chase & Co. (callable)		
3,000,000	5.00% due Dec. 29, 2049-(Jul. 1, 2019)	3,270,147	3,219,734
	JPMorgan Chase & Co. (Floating Rate)		
4,000,000	0.74% due Feb. 15, 2017	4,398,988	4,271,833
	Kellogg Canada Inc.		
3,000,000	2.05% due May 23, 2017	2,999,400	3,003,844
	Manufacturers Life Insurance Company (callable)		
2,500,000	4.21% due Nov. 18, 2021-(2016)	2,640,625	2,633,606
	Manulife Bank of Canada		
5,000,000	2.38% due Oct. 17, 2016	5,060,250	5,060,619
	Master Credit Card Trust		
9,000,000	2.72% due Nov. 21, 2018	9,132,230	9,205,876
	Molson Coors International LP		
6,900,000	3.95% due Oct. 6, 2017	7,246,073	7,270,704
	National Bank of Canada		
1,500,000	2.02% due Apr. 13, 2017	1,506,015	1,507,977
	Octagon Investment Partners XIX Ltd. (Floating Rate)		
6,500,000	1.75% due Apr. 15, 2026	7,185,417	6,939,080
	Omers Realty Corporation		
4,200,000	2.97% due Apr. 5, 2021	4,203,576	4,268,584
	OZLM Ltd. (Floating Rate)		
2,500,000	1.72% due Jul. 17, 2026	2,705,544	2,662,854
	Penske Truck Leasing Canada (callable)		
3,250,000	2.50% due Jun. 15, 2019-(May 15, 2019)	3,526,713	3,478,499
	Pinnacle Park CLO Ltd., Series 2104-1A, Class A (callable) (Floating Rate)		
5,000,000	1.73% due Apr. 15, 2026-(2016)	5,511,525	5,341,285
	RioCan Real Estate Investment Trust		
950,000	2.87% due Mar. 5, 2018	960,317	963,364
5,500,000	3.85% due Jun. 28, 2019	5,719,725	5,754,759
1,400,000	3.62% due Jun. 1, 2020	1,421,014	1,442,437
	Rogers Communications Inc.		
4,000,000	5.80% due May 26, 2016	4,345,093	4,294,329
2,000,000	3.00% due Jun. 6, 2017	2,052,560	2,056,467
7,500,000	2.80% due Mar. 13, 2019	7,526,580	7,585,665
	Rogers Communications, Inc. (Floating Rate)		
3,500,000	1.87% due Mar. 13, 2017	3,500,000	3,510,850
	Royal Bank of Canada		
5,750,000	4.35% due Jun. 15, 2015	5,948,548	5,899,393
	Royal Bank of Canada (callable)		
10,800,000	3.18% due Nov. 2, 2020-(2015)	11,050,624	11,017,449
	Royal Bank of Canada		
5,000,000	2.77% due Dec. 11, 2018	5,096,250	5,114,796
	Seneca Park CLO Ltd.		
3,000,000	1.70% due Jul. 17, 2026	3,266,753	3,203,411
	Shaw Communications Inc.		
7,000,000	5.65% due Oct. 1, 2019	7,896,630	7,977,928
	Standard Life Canada (callable)		
9,200,000	3.94% due Sep. 21, 2022 -(2017)	9,690,746	9,692,915
	Sun Life Financial Inc.		
11,750,000	4.38% due Mar. 2, 2017	12,477,643	12,461,901
	Tim Hortons Inc.		
5,000,000	2.85% due Apr. 1, 2019	4,997,160	5,054,979
	Tim Hortons, Inc.		
2,800,000	4.20% due Jun. 1, 2017	2,970,940	2,971,878
	Toronto-Dominion Bank, The (callable)		
13,300,000	3.37% due Nov. 2, 2020-(2015)	13,657,120	13,597,498
	Toyota Credit Canada Inc.		
2,000,000	2.75% due Jul. 18, 2018	2,033,440	2,049,809
4,500,000	2.25% due May 23, 2019	4,491,945	4,494,504
	TransAlta Corporation		
3,000,000	5.00% due Nov. 25, 2020	3,164,340	3,178,673
	Veresen Inc.		
4,750,000	3.95% due Mar. 14, 2017	4,967,313	4,967,282
	Verizon Communications Inc.		
1,350,000	2.55% due Jun. 17, 2019	1,496,305	1,465,853
	Washington Mill CLO Ltd.		
3,000,000	1.73% due Apr. 20, 2026	3,289,647	3,211,812
	Wells Fargo Financial Canada Corporation		
12,584,000	2.78% due Nov. 15, 2018	12,752,089	12,858,405
2,250,000	2.94% due Jul. 25, 2019	2,295,248	2,309,195
		574,139,372	574,262,872
	TOTAL INVESTMENT PORTFOLIO	583,341,801	583,102,015
	Currency Forward Contracts – 0.3%		1,861,500
	Swap Contracts – (0.3%)		(1,768,691)
	OTHER ASSETS, LESS LIABILITIES – 2.7%		16,497,809
	NET ASSETS – 100.0%		599,692,633

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	18,662,600	U.S. Dollar	17,000,000	18,145,915	516,686
Jul. 17, 2014	Canadian Dollar	6,525,800	U.S. Dollar	6,000,000	6,404,440	121,360
Jul. 17, 2014	Canadian Dollar	3,586,453	U.S. Dollar	3,300,000	3,522,442	64,011
Jul. 17, 2014	Canadian Dollar	1,462,662	U.S. Dollar	1,370,000	1,462,347	315
Aug. 14, 2014	Canadian Dollar	12,982,332	U.S. Dollar	12,100,000	12,925,141	57,191
Aug. 14, 2014	Canadian Dollar	10,544,928	U.S. Dollar	9,600,000	10,254,657	290,271
Aug. 14, 2014	Canadian Dollar	6,555,960	U.S. Dollar	6,000,000	6,409,161	146,799
Aug. 14, 2014	Canadian Dollar	3,262,980	U.S. Dollar	3,000,000	3,204,580	58,400
Sep. 18, 2014	Canadian Dollar	11,810,340	U.S. Dollar	10,800,000	11,546,110	264,230
Sep. 18, 2014	Canadian Dollar	4,023,421	U.S. Dollar	3,700,000	3,955,612	67,809
Oct. 15, 2014	Canadian Dollar	16,321,500	U.S. Dollar	15,000,000	16,047,071	274,428
						1,861,500

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

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

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount ($)	Interest Rate (%)	Appreciation/ (Depreciation) ($)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	1,000,000	1.906%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(1,000,000)	1.266%	(3,432)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	5,000,000	1.933%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(5,000,000)	1.266%	(23,638)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2016	10,000,000	1.293%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2016	(10,000,000)	1.266%	7,863
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2017	25,000,000	1.485%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2017	(25,000,000)	1.266%	11,065
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2018	25,000,000	1.731%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2018	(25,000,000)	1.266%	(60,756)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	25,000,000	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	(25,000,000)	1.266%	(161,871)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 6, 2018	15,000,000	1.751%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 6, 2018	(15,000,000)	1.266%	(47,373)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2019	20,000,000	1.995%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2019	(20,000,000)	1.266%	(152,809)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	10,000,000	2.208%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	(10,000,000)	1.266%	(117,731)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	10,000,000	2.188%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	(10,000,000)	1.266%	(105,868)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	20,000,000	2.003%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	(20,000,000)	1.266%	(156,107)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 14, 2018	15,000,000	1.804%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 14, 2018	(15,000,000)	1.266%	(75,339)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 21, 2016	25,000,000	1.325%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 21, 2016	(25,000,000)	1.266%	7,689
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 21, 2018	15,000,000	1.779%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 21, 2018	(15,000,000)	1.266%	(57,308)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	10,000,000	1.950%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	(10,000,000)	1.266%	(47,084)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	5,000,000	2.342%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	(5,000,000)	1.266%	(54,975)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	5,000,000	2.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	(5,000,000)	1.264%	(61,574)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 13, 2017	16,000,000	1.523%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 13, 2017	(16,000,000)	1.264%	606
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Mar. 25, 2019	3,000,000	2.055%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Mar. 25, 2019	(3,000,000)	1.264%	(26,226)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	3,000,000	2.423%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	(3,000,000)	1.264%	(44,479)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	5,000,000	2.100%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	(5,000,000)	1.264%	(52,630)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 9, 2018	5,000,000	1.861%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 9, 2018	(5,000,000)	1.264%	(28,201)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Apr. 9, 2017	5,000,000	1.613%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Apr. 9, 2017	(5,000,000)	1.266%	(10,115)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 10, 2018	10,000,000	1.823%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 10, 2018	(10,000,000)	1.266%	(40,919)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 6, 2018	5,000,000	1.815%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 6, 2018	(5,000,000)	1.268%	(14,787)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	20,000,000	2.195%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	(20,000,000)	1.268%	(135,885)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	5,500,000	2.005%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	(5,500,000)	1.268%	(24,134)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 15, 2019	4,000,000	1.888%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 15, 2019	(4,000,000)	1.268%	5,271
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 21, 2017	5,000,000	1.559%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 21, 2017	(5,000,000)	1.268%	2,602
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	5,000,000	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	(5,000,000)	1.268%	(11,749)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 28, 2017	16,000,000	1.530%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 28, 2017	(16,000,000)	1.268%	24,181
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	3,000,000	1.993%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	(3,000,000)	1.268%	(8,849)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 9, 2018	4,000,000	1.785%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 9, 2018	(4,000,000)	1.268%	(2,856)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	8,500,000	1.995%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	(8,500,000)	1.268%	(23,481)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	45,000,000	2.000%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	(45,000,000)	1.270%	(124,150)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Aug. 12, 2017	15,000,000	1.685%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Aug. 12, 2017	(15,000,000)	1.266%	(49,207)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 30, 2017	10,000,000	1.635%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 30, 2017	(10,000,000)	1.268%	12,375
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	20,000,000	1.623%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	(20,000,000)	0.231%	(116,810)
						(1,768,691)

The swap contracts outstanding at June 30,2014 are placed with a financial institution with a minimum credit rating of A- by Standard & Poor's.

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

Scotia Floating Rate Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to generate income consistent with prevailing short-term corporate bond yields while stabilizing market value from the effects of interest rate fluctuations.

2. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014
Less than 1 year	$ 19,837,220
1-3 years	162,963,369
3-5 years	247,042,507
5-10 years	119,577,540
> 10 years	33,681,379
Total	$583,102,015

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $9,930,072 or approximately 1.7% of total Net assets attributable to holders of redeemable. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
U.S. Dollar	(463,418)	(0.1)	(46,342)	0.0

iii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	9.9	9.6
AA	22.1	21.5
A	25.7	25.0
BBB	35.7	34.7
BB	6.6	6.5
Total	100.0	97.3

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$ 208,523
Unrealized loss on swap contracts	–	1,768,691
Redeemable units	599,692,633	–
	$599,692,633	$1,977,214

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Mortgage-Backed Securities	1.5
Corporate Bonds	95.8
Currency Forward Contracts	0.3
Swap Contracts	(0.3)

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$583,102,015	$ –	$583,102,015
Currency Forward Contracts–Assets	–	1,861,500	–	1,861,500
	–	584,963,515	–	584,963,515
Swap Contracts–Liabilities	–	(1,768,691)	–	(1,768,691)
	$ –	$583,194,824	$ –	$583,194,824

Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

Scotia Conservative Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014
ASSETS	
Current assets	
Investments	
Non-derivative financial assets	$3,166,594
Cash	79,377
Accrued investment income	40
Receivable for securities sold	6,000
Subscriptions receivable	585
	3,252,596
LIABILITIES	
Current liabilities	
Payable for securities purchased	11,000
Distributions payable	173
Redemptions payable	69,663
Accrued expenses	3,657
	84,493
Net Assets attributable to holders of redeemable units	$3,168,103
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series A Units	$3,168,103
UNITS OUTSTANDING	
Series A Units	315,773
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series A Units	$ 10.03

STATEMENTS OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
INCOME	
Net gain (loss) on investments (note 2)	
Dividends	$ 362
Interest for distribution purposes	32,455
Net realized gain (loss) on non-derivative financial assets	3,255
Change in unrealized appreciation (depreciation) of non-derivative financial assets	4,328
Net gain (loss) on investments	40,400
Other income	28
Total income (loss)	40,428
EXPENSES	
Management fees (note 5)	10,747
Harmonized Sales Tax/Goods and Services Tax	1,444
Audit fees	20
Independent Review Committee fees	3
Legal fees	6
Unitholder reporting costs	1,756
Unitholder administration and service fees	196
Overdraft charges	209
Total expenses	14,381
Absorbed expenses	(566)
Net expenses	13,815
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 26,613
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series A Units	$ 26,613
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*	
Series A Units	$ 0.12
WEIGHTED AVERAGE NUMBER OF UNITS	
Series A Units	216,266

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD	
Series I Units	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series A Units	26,613
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS	
From net investment income	
Series A Units	(19,031)
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series A Units	4,244,915
Reinvested distributions	
Series A Units	18,721
Payments on redemption	
Series A Units	(1,103,115)
	3,160,521
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series A Units	3,168,103
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD	
Series A Units	$ 3,168,103

STATEMENTS OF CASH FLOWS

For the period ended June 30,

	2014**
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	$ 26,613
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(3,255)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(4,328)
Purchases of non-derivative financial assets	(4,021,595)
Proceeds from sale of non-derivative financial assets	867,584
Accrued investment income	(40)
Accrued expenses	3,657
Net cash provided by (used in) operating activities	(3,131,364)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	4,244,330
Amounts paid on redemption of redeemable units	(1,033,452)
Distributions to unitholders of redeemable units	(137)
Net cash provided by (used in) financing activities	3,210,741
Net increase (decrease) in cash	79,377
CASH AT END OF PERIOD	$ 79,377
Interest received(1)	32,415
Dividends received, net of withholding taxes(1)	362

(1) Classified as operating items.

** Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

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

Scotia Conservative Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 90.0%			
79,063	Scotia Floating Rate Income Fund Series I	793,120	793,770
74,041	Scotia Mortgage Income Fund Series I	793,105	790,918
16,727	Scotia Private American Core-Plus Bond Pool Series I	156,470	158,414
16,242	Scotia Private High Yield Income Pool Series I	159,729	157,440
95,764	Scotia Short Term Bond Fund Series I	953,870	949,842
		2,856,294	2,850,384
CANADIAN EQUITY FUND – 10.0%			
30,030	1832 AM Canadian Preferred Share LP Series I	305,972	316,210
	TOTAL INVESTMENT PORTFOLIO	3,162,266	3,166,594
	OTHER ASSETS, LESS LIABILITIES – 0.0%		1,509
	NET ASSETS – 100.0%		3,168,103

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

Scotia Conservative Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income by investing primarily in fixed income securities. It invests primarily in a diversified mix of income mutual funds managed by us or by other mutual fund managers.

2. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, Net Assets would have decreased or increased, respectively, by $30,923 or approximately 1.0% of total Net assets attributable to holders of redeemable units. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 10.0% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $31,621. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$84,493
Redeemable units	3,168,103	–
	$3,168,103	$84,493

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Conservative Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Fixed Income Funds	90.0
Canadian Equity Fund	10.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$3,166,594	$ –	$ –	$3,166,594

Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

Scotia Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$355,858,737	$354,430,217	$366,231,713
Cash	143,701	49,728	2,048,366
Accrued investment income	2,339,649	2,308,671	2,198,938
Receivable for securities sold	–	–	7,757,709
Subscriptions receivable	47,692	69,110	446,084
Margin deposited on futures	48,728	76,479	29,481
	358,438,507	356,934,205	378,712,291
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	7,827,312
Distributions payable	5,353	30	107
Redemptions payable	66,370	185,286	254,875
Accrued expenses	115,335	–	–
	187,058	185,316	8,082,294
Net Assets attributable to holders of redeemable units	$358,251,449	$356,748,889	$370,629,997
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 98,383,427	$126,447,937	$197,861,370
Series I Units	$259,868,022	$230,300,952	$172,768,627
UNITS OUTSTANDING			
Series A Units	9,319,535	12,368,462	18,425,540
Series I Units	24,630,755	22,522,283	16,083,470
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.56	$ 10.22	$ 10.74
Series I Units	$ 10.55	$ 10.23	$ 10.74

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 6,619,965	$ 6,789,513
Net realized gain (loss) on non-derivative financial assets	(821,128)	428,128
Net realized gain (loss) on futures contracts	(715,538)	1,001,758
Net gain (loss) foreign exchange	–	(159)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	13,361,449	(14,144,683)
Net gain (loss) on investments	18,444,748	(5,925,443)
Securities lending	9,930	10,214
Other income	2,438	5,708
Total income (loss)	18,457,116	(5,909,521)
EXPENSES		
Management fees (note 5)	602,384	1,026,945
Harmonized Sales Tax/Goods and Services Tax	70,878	119,264
Audit fees	3,791	4,394
Independent Review Committee fees	531	644
Custodian fees	3,259	4,129
Filing fees	15,218	12,303
Legal fees	1,129	1,567
Unitholder reporting costs	6,993	8,265
Unitholder administration and service fees	49,428	47,364
Overdraft charges	1	–
Transaction costs	3,395	11,194
Total expenses	757,007	1,236,069
Absorbed expenses	–	(7)
Net expenses	757,007	1,236,062
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$17,700,109	$ (7,145,583)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 5,207,424	$ (3,983,000)
Series I Units	$12,492,685	$ (3,162,583)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.49	$ (0.22)
Series I Units	$ 0.53	$ (0.18)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	10,531,725	17,787,277
Series I Units	23,727,312	17,189,092

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Bond Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$126,447,937	$197,861,370
Series I Units	230,300,952	172,768,627
	356,748,889	370,629,997
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	5,207,424	(3,983,000)
Series I Units	12,492,685	(3,162,583)
	17,700,109	(7,145,583)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(1,397,632)	(2,431,077)
Series I Units	(4,986,915)	(3,638,066)
	(6,384,547)	(6,069,143)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	4,326,654	23,500,043
Series I Units	17,674,375	18,573,021
Reinvested distributions		
Series A Units	1,359,742	2,359,026
Series I Units	4,986,925	3,638,065
Payments on redemption		
Series A Units	(37,560,698)	(44,160,888)
Series I Units	(600,000)	–
	(9,813,002)	3,909,267
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(28,064,510)	(24,715,896)
Series I Units	29,567,070	15,410,437
	1,502,560	(9,305,459)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	98,383,427	173,145,474
Series I Units	259,868,022	188,179,064
	$358,251,449	$361,324,538

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 17,700,109	$ (7,145,583)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	821,128	(428,128)
Net realized gain (loss) foreign exchange on cash	–	159
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(13,361,449)	14,144,683
Purchases of non-derivative financial assets	(60,786,869)	(186,991,938)
Proceeds from sale of non-derivative financial assets	71,898,669	180,063,257
Accrued investment income	(30,978)	136,894
Accrued expenses	115,335	182,425
Change in margin accounts for futures contracts	27,751	(11,610)
Net cash provided by (used in) operating activities	16,383,696	(49,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	22,022,448	42,345,664
Amounts paid on redemption of redeemable units	(38,279,614)	(44,029,345)
Distributions to unitholders of redeemable units	(32,557)	(63,570)
Net cash provided by (used in) financing activities	(16,289,723)	(1,747,251)
Net gain (loss) foreign exchange on cash	–	(159)
Net increase (decrease) in cash	93,973	(1,797,092)
Cash at beginning of period	49,728	2,048,366
CASH AT END OF PERIOD	$ 143,701	$ 251,115
Interest received(1)	6,588,988	6,926,407

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 99.3%			
Federal Bonds – 40.0%			
	Canada Housing Trust No. 1		
5,020,000	3.80% due Jun. 15, 2021	5,566,985	5,522,248
56,125,000	2.40% due Dec. 15, 2022	55,934,314	55,800,896
32,745,000	2.35% due Sep. 15, 2023	30,722,926	32,114,062
	Government of Canada		
210,000	1.00% due Feb. 1, 2015	209,996	210,037
35,745,000	5.75% due Jun. 1, 2029	48,895,407	49,951,831
		141,329,628	143,599,074
Provincial Bonds – 27.9%			
	Hydro-Quebec		
3,250,000	11.00% due Aug. 15, 2020	5,075,751	4,843,943
	Province of British Columbia		
10,750,000	4.65% due Dec. 18, 2018	12,253,848	12,083,126
	Province of Ontario		
15,345,000	4.40% due Jun. 2, 2019	16,896,838	17,039,198
48,785,000	6.50% due Mar. 8, 2029	67,345,642	65,911,330
		101,572,079	99,877,597
Municipal Bonds – 1.5%			
	Municipal Finance Authority of British Columbia		
4,800,000	4.60% due Apr. 23, 2018	5,362,416	5,304,430
Mortgage-Backed Securities – 3.5%			
	Merrill Lynch Financial Assets Inc.		
2,820,000	4.83% due Feb. 12, 2016	2,480,414	2,938,885
3,010,000	4.98% due Jun. 12, 2016	2,655,834	3,174,797
	Real Estate Asset Liquidity Trust		
3,350,000	4.78% due Mar. 12, 2017	2,864,573	3,585,894
	Schooner Trust		
2,500,000	5.19% due Jun. 12, 2022	2,157,983	2,717,721
		10,158,804	12,417,297
Corporate Bonds – 26.4%			
	407 International Inc.		
2,500,000	4.30% due May 26, 2021	2,499,150	2,760,022
	Anheuser-Busch InBev Finance Inc.		
3,500,000	2.38% due Jan. 25, 2018	3,469,025	3,547,324
	Bank of Montreal		
3,500,000	3.21% due Sep. 13, 2018	3,499,825	3,646,934
	Bank of Nova Scotia, The (callable)		
3,000,000	3.04% due Oct. 18, 2024	3,000,000	3,076,749
	Bell Canada		
2,500,000	3.35% due Jun. 18, 2019	2,520,650	2,595,047
	BMW Canada Inc.		
2,500,000	2.11% due May 26, 2016	2,499,250	2,523,162
	BRP Finance ULC		
2,500,000	5.14% due Oct. 13, 2020	2,499,025	2,779,757
	Canadian Natural Resources Limited		
1,250,000	3.05% due Jun. 19, 2019	1,249,213	1,282,402
	Canadian Natural Resources Limited (callable)		
1,130,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	1,125,853	1,132,624
	Caterpillar Financial Services Limited		
2,500,000	2.63% due Jun. 1, 2017	2,499,425	2,557,576
	CIBC Capital Trust (callable)		
1,700,000	9.98% due Jun. 30, 2108	2,272,781	2,230,146
	CU Inc.		
2,500,000	4.80% due Nov. 22, 2021	2,490,715	2,843,723
	Daimler Canada Finance Inc.		
2,500,000	2.33% due Sep. 14, 2015	2,499,925	2,523,358
	EnCana Corporation		
3,010,000	5.80% due Jan. 18, 2018	3,272,773	3,386,998
	GE Capital Canada Funding Company		
3,000,000	5.73% due Oct. 22, 2037	2,675,341	3,701,081

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

Scotia Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Genesis Trust II		
2,780,000	2.30% due Feb. 15, 2017	2,780,000	2,817,107
	Golden Credit Card Trust		
2,500,000	3.51% due May 15, 2016	2,601,700	2,586,752
	Great-West Lifeco Inc.		
2,500,000	6.67% due Mar. 21, 2033	2,656,234	3,287,055
	Greater Toronto Airports Authority		
2,000,000	3.04% due Sep. 21, 2022	1,999,820	2,030,296
3,240,000	7.10% due Jun. 4, 2031	3,785,189	4,463,239
	HSBC Bank of Canada		
2,500,000	2.94% due Jan. 14, 2020	2,500,000	2,556,581
	John Deere Credit Inc.		
2,400,000	2.30% due Jul. 5, 2016	2,399,448	2,429,739
	Master Credit Card Trust		
3,000,000	2.72% due Nov. 21, 2018	3,000,000	3,068,625
	NAV Canada		
2,500,000	5.30% due Apr. 17, 2019	2,677,893	2,856,986
	Rogers Communications Inc.		
2,500,000	4.00% due Jun. 6, 2022	2,490,000	2,609,003
	Royal Bank of Canada		
3,000,000	2.36% due Sep. 21, 2017	3,000,000	3,038,952
	Sun Life Financial Inc. (callable)		
2,500,000	4.95% due Jun. 1, 2036-(2016)	2,550,408	2,639,982
	Suncor Energy, Inc.		
2,500,000	5.80% due May 22, 2018	2,634,295	2,835,188
	TELUS Corporation (callable)		
2,500,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	2,485,875	2,456,034
	Teranet Holdings LP		
3,440,000	5.75% due Dec. 17, 2040	3,440,000	3,837,674
	Toronto Hydro Corporation		
2,000,000	3.54% due Nov. 18, 2021	1,999,000	2,104,686
	Toronto-Dominion Bank, The (callable)		
2,700,000	4.78% due Dec. 14, 2105	2,636,421	2,883,446
	VW Credit Canada, Inc.		
3,000,000	2.20% due Oct. 11, 2016	2,996,910	3,032,757
	Wells Fargo Financial Canada Corporation		
2,500,000	3.04% due Jan. 29, 2021	2,498,900	2,539,334
		89,205,044	94,660,339
	TOTAL INVESTMENT PORTFOLIO	347,627,971	355,858,737
	Futures Contracts – 0.0%		48,728
	OTHER ASSETS, LESS LIABILITIES – 0.7%		2,343,984
	NET ASSETS – 100.0%		358,251,449

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(390)	Canada 10 Year Bond Future – Sep. 2014	(52,479,673)	(53,032,200)	(552,527)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, $800,000 of the September 15, 2023 Canada Housing Trust No.1 2.35% are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A+ by Standard & Poor's.

Scotia Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a steady flow of income and modest capital gains. It invests primarily in high-quality fixed income securities issued by Canadian federal, provincial and municipal governments and Canadian corporations.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$356,405,904	$370,247,467
Revaluation of Investments at FVTPL	342,985	382,530
Net assets attributable to holders of redeemable units	$356,748,889	$370,629,997

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(7,118,218)
Revaluation of Investments at FVTPL	(27,365)
Increase (decrease) in net assets attributable to holders of redeemable units	$(7,145,583)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ 210,037	$ –	$ –
1-3 years	36,411,175	29,464,259	30,211,727
3-5 years	60,685,211	48,045,635	34,410,619
5-10 years	127,400,102	191,688,060	209,047,519
> 10 years	131,152,212	85,232,263	92,561,848
Total	$355,858,737	$354,430,217	$366,231,713

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $6,594,945 or approximately 1.8% of total net assets attributable to holders of redeemable units (December 31, 2013 – $6,155,563 or approximately 1.7% Net assets attributable to holders of redeemable units, January 1, 2013 – $6,679,207 or approximately 1.8% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	47.8	47.6	49.2	48.9	49.1	48.5
AA	33.4	33.3	32.4	32.2	32.5	32.1
A	14.6	14.5	14.3	14.2	14.3	14.1
BBB	4.2	4.2	4.1	4.1	4.1	4.1
Total	100.0	99.6	100.0	99.4	100.0	98.8

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$187,058	$ –	$185,316	$ –	$8,082,294
Redeemable units	358,251,449	–	356,748,889	–	370,629,997	–
	$358,251,449	$187,058	$356,748,889	$185,316	$370,629,997	$8,082,294

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	40.0	41.5	44.4
Provincial Bonds	27.9	27.1	26.3
Municipal Bonds	1.5	1.5	–
Mortgage-Backed Securities	3.5	3.5	3.4
Corporate Bonds	26.4	25.8	24.7
Futures Contracts	0.0	–	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$355,858,737	$ –	$355,858,737
Futures Contracts (Short)	(552,527)	–	–	552,527
	$(552,527)	$355,858,737	$ –	$356,411,264

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$354,430,217	$ –	$354,430,217

Scotia Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$366,231,713	$ –	$366,231,713
Futures Contracts (Short)	29,760	–	–	29,760
	$ 29,760	$366,231,713	$ –	$366,261,473

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$5,766,867,477	$6,223,933,197	$5,926,549,185
Cash	31,873,297	8,843,103	19,411,925
Accrued investment income	36,787,688	38,826,588	37,885,742
Receivable for securities sold	–	–	89,695,045
Subscriptions receivable	8,189,172	4,150,577	3,348,816
Margin deposited on futures	1,121,834	415,593	428,901
	5,844,839,468	6,276,169,058	6,077,319,614
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	90,499,796
Distributions payable	343,183	418	437
Redemptions payable	3,587,828	2,403,484	1,743,816
Accrued expenses	1,535,522	–	–
	5,466,533	2,403,902	92,244,049
Net Assets attributable to holders of redeemable units	$5,839,372,935	$6,273,765,156	$5,985,075,565
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$1,116,608,894	$1,294,398,167	$1,699,789,192
Advisor Series Units	$ 7,895,028	$ 8,841,710	$ 25,289,507
Series F Units	$ 128,275	$ 820,988	$ 2,496,830
Series I Units	$4,037,374,552	$4,361,295,723	$3,644,830,556
Series M Units	$ 677,366,186	$ 608,408,568	$ 612,669,480
UNITS OUTSTANDING			
Series A Units	80,964,906	96,998,401	121,198,425
Advisor Series Units	573,160	664,099	1,808,368
Series F Units	9,322	61,709	178,593
Series I Units	294,748,992	328,366,168	261,105,204
Series M Units	49,413,140	45,796,477	43,876,719
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.79	$ 13.34	$ 14.02
Advisor Series Units	$ 13.77	$ 13.31	$ 13.98
Series F Units	$ 13.76	$ 13.30	$ 13.98
Series I Units	$ 13.70	$ 13.28	$ 13.96
Series M Units	$ 13.71	$ 13.29	$ 13.96

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$106,628,579	$ 111,163,761
Capital gains distributions received	–	–
Net realized gain (loss) on non-derivative financial assets	(25,329,198)	14,425,808
Net realized gain (loss) on futures contracts	(15,646,377)	16,882,302
Net gain (loss) foreign exchange	305,716	10,405
Change in unrealized appreciation (depreciation) of non-derivative financial assets	247,337,443	(246,302,279)
Net gain (loss) on investments	313,296,163	(103,820,003)
Securities lending	322,485	169,896
Other income	14,891	23,839
Total income (loss)	313,633,539	(103,626,268)
EXPENSES		
Management fees (note 5)	7,671,648	10,599,752
Harmonized Sales Tax/Goods and Services Tax	917,393	1,264,852
Audit fees	65,250	73,333
Independent Review Committee fees	8,982	10,841
Custodian fees	43,313	36,739
Filing fees	45,477	60,896
Legal fees	19,048	26,347
Unitholder reporting costs	64,788	81,757
Unitholder administration and service fees	667,514	639,469
Overdraft charges	2,566	50
Transaction costs	254,409	391,486
Total expenses	9,760,388	13,185,522
Absorbed expenses	(1,205)	(394)
Net expenses	9,759,183	13,185,128
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$303,874,356	$(116,811,396)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 54,404,424	$ (36,834,867)
Advisor Series Units	$ 387,167	$ (501,906)
Series F Units	$ 24,652	$ (49,410)
Series I Units	$217,392,989	$ (67,887,781)
Series M Units	$ 31,665,124	$ (11,537,432)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.62	$ (0.31)
Advisor Series Units	$ 0.62	$ (0.30)
Series F Units	$ 0.95	$ (0.27)
Series I Units	$ 0.70	$ (0.24)
Series M Units	$ 0.68	$ (0.24)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	87,137,461	119,262,847
Advisor Series Units	623,390	1,656,242
Series F Units	25,830	180,940
Series I Units	310,112,349	283,618,888
Series M Units	46,868,117	47,901,313

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 1,294,398,167	$1,699,789,192
Advisor Series Units	8,841,710	25,289,507
Series F Units	820,988	2,496,830
Series I Units	4,361,295,723	3,644,830,556
Series M Units	608,408,568	612,669,480
	6,273,765,156	5,985,075,565
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	54,404,424	(36,834,867)
Advisor Series Units	387,167	(501,906)
Series F Units	24,652	(49,410)
Series I Units	217,392,989	(67,887,781)
Series M Units	31,665,124	(11,537,432)
	303,874,356	(116,811,396)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(13,254,865)	(18,750,625)
Advisor Series Units	(89,997)	(245,765)
Series F Units	(3,903)	(35,624)
Series I Units	(80,914,744)	(75,489,518)
Series M Units	(12,033,280)	(12,464,586)
	(106,296,789)	(106,986,118)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	34,641,034	158,803,050
Advisor Series Units	47,983	327,682
Series F Units	10,000	122,223
Series I Units	468,790,470	618,590,435
Series M Units	134,100,612	182,792,851
Reinvested distributions		
Series A Units	12,902,179	18,260,278
Advisor Series Units	37,517	167,255
Series F Units	3,676	34,055
Series I Units	80,914,744	75,489,518
Series M Units	10,202,667	10,739,339
Payments on redemption		
Series A Units	(266,482,045)	(263,252,322)
Advisor Series Units	(1,329,352)	(5,033,162)
Series F Units	(727,138)	(242,931)
Series I Units	(1,010,104,630)	(129,436,749)
Series M Units	(94,977,505)	(97,909,828)
	(631,969,788)	569,451,694
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(177,789,273)	(141,774,486)
Advisor Series Units	(946,682)	(5,285,896)
Series F Units	(692,713)	(171,687)
Series I Units	(323,921,171)	421,265,905
Series M Units	68,957,618	71,620,344
	(434,392,221)	345,654,180
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	1,116,608,894	1,558,014,706
Advisor Series Units	7,895,028	20,003,611
Series F Units	128,275	2,325,143
Series I Units	4,037,374,552	4,066,096,461
Series M Units	677,366,186	684,289,824
	$ 5,839,372,935	$6,330,729,745

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 303,874,356	$ (116,811,396)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	25,329,198	(14,425,808)
Net realized gain (loss) foreign exchange on cash	(305,716)	(10,405)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(247,337,443)	246,302,280
Purchases of non-derivative financial assets	(1,329,848,007)	(3,224,583,391)
Proceeds from sale of non-derivative financial assets	2,008,921,972	2,637,150,496
Accrued investment income	2,038,900	1,670,597
Accrued expenses	1,535,522	1,933,722
Change in margin accounts for futures contracts	(706,241)	(1,073,694)
Net cash provided by (used in) operating activities	763,502,541	(469,847,599)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	633,551,504	949,966,114
Amounts paid on redemption of redeemable units	(1,372,436,326)	(492,645,215)
Distributions to unitholders of redeemable units	(1,893,241)	(1,950,962)
Net cash provided by (used in) financing activities	(740,778,063)	455,369,937
Net gain (loss) foreign exchange on cash	305,716	10,405
Net increase (decrease) in cash	22,724,478	(14,477,662)
Cash at beginning of period	8,843,103	19,411,925
CASH AT END OF PERIOD	$ 31,873,297	$ 4,944,668
Interest received(1)	108,667,479	112,834,358

(1) Classified as operating items.

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

Scotia Canadian Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 98.8%			
Federal Bonds – 47.9%			
	Canada Housing Trust No. 1		
310,700,000	3.80% due Jun. 15, 2021	347,411,215	341,785,330
961,090,000	2.40% due Dec. 15, 2022	958,692,836	955,540,013
624,295,000	2.35% due Sep. 15, 2023	592,441,393	612,265,940
	Government of Canada		
151,425,000	1.00% due Feb. 1, 2015	151,467,260	151,451,993
528,660,000	5.75% due Jun. 1, 2029	726,847,894	738,775,637
		2,776,860,598	2,799,818,913
Provincial Bonds – 17.0%			
	Hydro-Quebec		
69,350,000	11.00% due Aug. 15, 2020	110,228,464	103,362,300
	Province of British Columbia		
32,185,000	5.70% due Jun. 18, 2029	41,910,789	41,303,182
	Province of Ontario		
23,845,000	4.40% due Jun. 2, 2019	25,417,676	26,477,659
609,520,000	6.50% due Mar. 8, 2029	839,253,010	823,496,446
		1,016,809,939	994,639,587
Municipal Bonds – 0.5%			
	Municipal Finance Authority of British Columbia		
26,075,000	4.60% due Apr. 23, 2018	27,078,864	28,815,210
Mortgage-Backed Securities – 3.5%			
	Merrill Lynch Financial Assets Inc.		
39,875,000	4.83% due Feb. 12, 2016	40,231,911	41,556,037
31,040,000	4.98% due Jun. 12, 2016	31,147,673	32,739,434
33,685,000	4.81% due Oct. 12, 2039	33,369,364	35,599,278
	Real Estate Asset Liquidity Trust		
35,845,000	4.78% due Mar. 12, 2017	36,680,249	38,369,066
	Schooner Trust		
10,910,000	4.36% due Sep. 12, 2020	11,075,655	11,220,932
38,640,000	5.19% due Jun. 12, 2022	39,554,825	42,005,091
		192,059,677	201,489,838
Corporate Bonds – 29.8%			
	407 International Inc.		
48,000,000	4.30% due May 26, 2021	49,386,496	52,992,422
	AltaLink LP		
31,000,000	3.40% due Mar. 6, 2024	31,000,000	31,433,284
	Anheuser-Busch InBev Finance Inc.		
45,000,000	2.38% due Jan. 25, 2018	44,783,100	45,608,451
	Bank of Montreal		
39,000,000	3.21% due Sep. 13, 2018	38,998,050	40,637,266
	Bank of Nova Scotia, The (callable)		
60,680,000	3.04% due Oct. 18, 2024-(2019)	60,680,000	62,232,370
	Bell Canada		
55,500,000	3.35% due Jun. 18, 2019	55,855,910	57,610,051
19,975,000	4.70% due Sep. 11, 2023	19,954,426	21,778,826
	BRP Finance ULC		
44,000,000	5.14% due Oct. 13, 2020	44,687,049	48,923,717
	Canadian Imperial Bank of Commerce		
23,060,000	2.35% due Oct. 18, 2017	23,030,714	23,348,858
	Canadian Natural Resources Limited		
25,660,000	3.05% due Jun. 19, 2019	25,643,834	26,325,158
	Canadian Natural Resources Limited (callable)		
26,000,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	25,904,580	26,060,372
	Caterpillar Financial Services Limited		
55,455,000	2.63% due Jun. 1, 2017	55,442,245	56,732,161
	CIBC Capital Trust (callable)		
29,630,000	9.98% due Jun. 30, 2108-(2019)	38,694,080	38,870,137
	CU Inc.		
32,100,000	4.80% due Nov. 22, 2021	33,389,686	36,513,406
	EnCana Corporation		
34,000,000	5.80% due Jan. 18, 2018	37,546,666	38,258,448

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Finning International Inc.		
20,000,000	6.02% due Jun. 1, 2018	23,251,491	22,776,108
	GE Capital Canada Funding Company		
66,915,000	5.73% due Oct. 22, 2037	70,647,171	82,552,612
	Genesis Trust II		
50,000,000	2.30% due Feb. 15, 2017	50,000,000	50,667,384
	Golden Credit Card Trust		
42,000,000	3.51% due May 15, 2016	43,772,040	43,457,429
	Great-West Lifeco Inc.		
38,790,000	6.67% due Mar. 21, 2033	42,165,238	51,001,938
	Greater Toronto Airports Authority		
23,000,000	3.04% due Sep. 21, 2022	22,997,930	23,348,399
31,435,000	7.10% due Jun. 4, 2031	35,312,870	43,303,065
	HSBC Bank of Canada		
44,000,000	2.94% due Jan. 14, 2020	44,000,000	44,995,827
	Husky Energy Inc.		
36,300,000	5.00% due Mar. 12, 2020	37,811,915	40,750,705
	International Business Machines Corporation		
38,000,000	2.20% due Feb. 10, 2017	37,916,797	38,490,555
	John Deere Canada Funding Inc.		
20,000,000	1.95% due Apr. 12, 2017	19,986,200	20,086,834
3,000,000	2.25% due Oct. 18, 2017	3,004,170	3,030,107
	John Deere Credit Inc.		
24,000,000	2.30% due Jul. 5, 2016	23,994,480	24,297,393
	Master Credit Card Trust		
50,770,000	2.72% due Nov. 21, 2018	50,770,000	51,931,371
	NAV Canada		
54,000,000	5.30% due Apr. 17, 2019	58,145,760	61,710,890
	Rogers Communications Inc.		
55,000,000	4.00% due Jun. 6, 2022	54,780,000	57,398,062
	Royal Bank of Canada		
59,600,000	2.36% due Sep. 21, 2017	59,600,000	60,373,848
19,290,000	3.77% due Mar. 30, 2018	19,883,722	20,581,782
	Sun Life Financial Inc. (callable)		
20,060,000	4.95% due Jun. 1, 2036-(2016)	20,218,794	21,183,218
	Suncor Energy, Inc.		
39,785,000	5.80% due May 22, 2018	41,963,644	45,119,179
	TELUS Corporation		
28,000,000	5.05% due Jul. 23, 2020	29,416,415	31,475,424
	TELUS Corporation (callable)		
31,465,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	31,287,223	30,911,648
	Teranet Holdings LP		
45,500,000	5.75% due Dec. 17, 2040	46,170,815	50,759,930
	Thomson Reuters Corporation		
24,600,000	4.35% due Sep. 30, 2020	24,518,430	26,562,057
	Toronto Hydro Corporation		
22,000,000	3.54% due Nov. 18, 2021	22,062,673	23,151,541
	Toronto-Dominion Bank, The (callable)		
46,210,000	4.78% due Dec. 14, 2105-(2016)	46,429,402	49,349,640
	VW Credit Canada, Inc.		
27,000,000	2.20% due Oct. 11, 2016	26,972,190	27,294,811
37,060,000	2.45% due Nov. 14, 2017	36,994,033	37,640,757
	Wells Fargo Financial Canada Corporation		
49,280,000	2.94% due Jul. 25, 2019	49,279,999	50,576,488
		1,658,350,238	1,742,103,929
	TOTAL INVESTMENT PORTFOLIO	5,671,159,316	5,766,867,477
	Futures Contracts – 0.0%		1,121,834
	OTHER ASSETS, LESS LIABILITIES – 1.2%		71,383,624
	NET ASSETS – 100.0%		5,839,372,935

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

Scotia Canadian Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(13,500)	Canadian 10 Year Bond Futures – Sep. 2014	(1,820,742,999)	(1,835,730,000)	(14,987,001)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, $33,000,000 of the June 15, 2021 Canada Housing Trust No.1 3.8% are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A+ by Standard & Poor's.

Scotia Canadian Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances, mortgage-backed securities and guaranteed investment certificates
- high-quality dividend-paying shares of Canadian corporations.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$6,267,505,883	$5,978,192,395
Revaluation of Investments at FVTPL	6,259,273	6,883,170
Net assets attributable to holders of redeemable units	$6,273,765,156	$5,985,075,565

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(116,650,350)
Revaluation of Investments at FVTPL	(161,046)
Increase (decrease) in net assets attributable to holders of redeemable units	$(116,811,396)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ 151,451,933	$ 173,993,521	$ –
1-3 years	533,049,263	400,147,438	604,187,587
3-5 years	590,245,141	676,749,991	628,008,357
5-10 years	2,660,928,325	3,742,247,664	3,197,176,661
> 10 years	1,831,192,815	1,230,794,583	1,497,176,580
Total	$5,766,867,477	$6,223,933,197	$5,926,549,185

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $105,247,145 or approximately 1.8% of total net assets attributable to holders of redeemable units (December 31, 2013 – $107,178,466 or approximately 1.7% net assets attributable to holders of redeemable units, January 1, 2013 – $107,284,067 or approximately 1.8% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	55.4	54.7	55.9	55.5	41.7	41.4
AA	23.8	23.6	24.0	23.8	36.5	36.1
A	16.0	15.8	15.7	15.6	17.4	17.2
BBB	4.8	4.7	4.4	4.3	4.4	4.3
Total	100.0	98.8	100.0	99.2	100.0	99.0

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$5,466,533	$ –	$2,403,902	$ –	$92,244,049
Redeemable units	5,839,372,935	–	6,273,765,156	–	5,985,075,565	–
	$5,839,372,935	$5,466,533	$6,273,765,156	$2,403,902	$5,985,075,565	$92,244,049

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	47.9	48.9	35.3
Provincial Bonds	17.0	17.6	29.3
Municipal Bonds	0.5	0.5	1.2
Mortgage-Backed	3.5	3.2	3.4
Corporate Bonds	29.8	29.0	29.8
Futures Contracts	0.0	0.0	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$5,766,867,477	$ –	$5,766,867,477
Futures Contracts (Long)	(14,987,001)	–	–	(14,987,001)
	$(14,987,001)	$5,766,867,477	$ –	$5,751,880,476

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$6,223,933,197	$ –	$6,223,933,197
Futures Contracts (Long)	(234,965)	–	–	(234,965)
	$ (234,965)	$6,223,933,197	$ –	$6,223,698,232

Scotia Canadian Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$5,926,549,185	$ –	$5,926,549,185
Futures Contracts (Short)	432,960	–	–	432,960
	$ 432,960	$5,926,549,185	$ –	$5,926,982,145

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private Canadian Corporate Bond Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$3,662,757,258	$3,251,745,684	$2,921,434,177
Cash	8,884,075	10,176,995	14,910,307
Accrued investment income	24,746,026	25,630,625	20,224,406
Receivable for securities sold	36,259,555	–	–
Subscriptions receivable	7,578,105	1,503,565	1,927,140
Margin deposited on futures	3,910,653	3,162,500	
	3,744,135,672	3,292,219,369	2,958,496,030
LIABILITIES			
Current liabilities			
Payable for securities purchased	35,000,000	–	–
Distributions payable	1,026,189	–	–
Redemptions payable	11,347,567	3,385,462	2,523,169
Accrued expenses	181,512	–	–
	47,555,268	3,385,462	2,523,169
Net Assets attributable to holders of redeemable units	$3,696,580,404	$3,288,833,907	$2,955,972,861
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$1,721,188,692	$1,356,859,788	$1,162,923,140
Series M Units	$1,975,391,712	$1,931,974,119	$1,793,268,721
UNITS OUTSTANDING			
Series I Units	159,766,401	128,501,803	107,605,307
Series M Units	183,200,449	182,920,268	165,886,994
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 10.77	$ 10.56	$ 10.81
Series M Units	$ 10.78	$ 10.56	$ 10.81

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 65,727,955	$ 61,166,848
Net realized gain (loss) on non-derivative financial assets	16,654,192	25,163,049
Net realized gain (loss) on futures contracts	(15,343,834)	1,778,800
Net gain (loss) foreign exchange	8,848	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	73,265,250	(99,720,727)
Net gain (loss) on investments	140,312,411	(11,612,030)
Securities lending	58,821	7,832
Total income (loss)	140,371,232	(11,604,198)
EXPENSES		
Management fees (note 5)	669,560	657,399
Harmonized Sales Tax/Goods and Services Tax	87,920	85,589
Audit fees	37,123	37,300
Independent Review Committee fees	5,152	5,518
Custodian fees	22,355	19,227
Filing fees	24,351	8,561
Legal fees	11,026	13,445
Unitholder reporting costs	10,985	16,854
Unitholder administration and service fees	228,561	165,171
Overdraft charges	17	–
Transaction costs	21,284	11,700
Total expenses	1,118,334	1,020,764
Absorbed expenses	–	(254)
Net expenses	1,118,334	1,020,510
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$139,252,898	$ (12,624,708)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$ 60,939,344	$ (5,016,640)
Series M Units	$ 78,313,554	$ (7,608,068)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 0.42	$ (0.04)
Series M Units	$ 0.44	$ (0.04)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	145,916,616	119,599,230
Series M Units	179,735,314	176,871,651

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$1,356,859,788	$1,162,923,140
Series M Units	1,931,974,119	1,793,268,721
	3,288,833,907	2,956,191,861
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	60,939,344	(5,016,640)
Series M Units	78,313,554	(7,608,068)
	139,252,898	(12,624,708)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS From net investment income		
Series I Units	(31,873,749)	(26,602,295)
Series M Units	(38,257,437)	(38,674,880)
	(70,131,186)	(65,277,175)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	330,368,805	195,176,896
Series M Units	292,242,215	380,318,542
Reinvested distributions		
Series I Units	31,873,782	26,602,240
Series M Units	31,762,970	32,029,657
Payments on redemption		
Series I Units	(26,979,278)	(14,200,475)
Series M Units	(320,643,709)	(202,794,744)
	338,624,785	417,132,116
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	364,328,904	175,959,726
Series M Units	43,417,593	163,270,507
	407,746,497	339,230,233
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	1,721,188,692	1,338,882,866
Series M Units	1,975,391,712	1,956,539,228
	$3,696,580,404	$3,295,422,094

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 139,252,898	$ (12,624,709)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(16,654,192)	(25,163,049)
Net realized gain (loss) foreign exchange on cash	(8,848)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(73,265,250)	99,720,728
Purchases of non-derivative financial assets	(1,230,390,661)	(1,384,980,352)
Proceeds from sale of non-derivative financial assets	908,038,974	971,700,770
Accrued investment income	884,599	(10,949,753)
Accrued expenses	181,512	165,877
Change in margin accounts for futures contracts	(748,153)	219,000
Net cash provided by (used in) operating activities	(272,709,121)	(361,911,488)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	616,536,480	572,044,793
Amounts paid on redemption of redeemable units	(339,660,882)	(217,733,187)
Distributions to unitholders of redeemable units	(5,468,245)	(5,662,236)
Net cash provided by (used in) financing activities	271,407,353	348,649,370
Net gain (loss) foreign exchange on cash	8,848	–
Net increase (decrease) in cash	(1,301,768)	(13,262,118)
Cash at beginning of period	10,176,995	14,910,307
CASH AT END OF PERIOD	$ 8,884,075	$ 1,648,189
Interest received(1)	66,612,554	50,217,095

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 99.1%			
Federal Bonds – 7.2%			
	Canada Housing Trust No. 1		
90,000,000	2.90% due Jun. 15, 2024	91,333,118	91,737,412
170,000,000	2.90% due Jun. 15, 2024	173,469,700	173,191,920
		264,802,818	264,929,332
Mortgage-Backed Securities – 2.9%			
	Institutional Mortgage Securities Canada Inc.		
25,000,000	3.33% due Dec. 12, 2022	25,000,000	25,432,608
	Merrill Lynch Financial Assets Inc.		
25,000,000	4.81% due Oct. 12, 2039	24,679,276	26,420,720
	Real Estate Asset Liquidity Trust		
22,600,000	4.78% due Mar. 12, 2017	22,315,481	24,191,404
	Schooner Trust		
29,100,000	5.19% due Jun. 12, 2022	28,845,645	31,634,269
		100,840,402	107,679,001
Corporate Bonds – 89.0%			
	407 International Inc.		
13,000,000	4.30% due May 26, 2021	13,331,635	14,352,114
	407 International Inc. (callable)		
28,000,000	3.35% due May. 16, 2024-(Feb. 16, 2024)	27,976,480	28,366,304
	AltaLink LP		
60,000,000	3.40% due Mar. 6, 2024	60,000,000	60,838,613
	Anheuser-Busch InBev Finance Inc.		
60,000,000	2.38% due Jan. 25, 2018	59,710,800	60,811,268
	Bank of Montreal		
59,000,000	3.98% due Jul. 8, 2016	60,960,994	61,496,784
	Bank of Montreal Capital Trust II (callable)		
52,300,000	10.22% due Dec. 31, 2107-(2018)	70,211,017	68,469,966
	Bank of Nova Scotia, The (callable)		
80,000,000	3.04% due Oct. 18, 2024-(2019)	80,000,000	82,046,631
	Bell Canada		
15,000,000	3.35% due Jun. 18, 2019	15,506,400	15,570,284
75,000,000	3.25% due Jun. 17, 2020	74,905,850	77,008,502
20,000,000	4.70% due Sep. 11, 2023	19,979,400	21,806,084
	BRP Finance ULC		
54,000,000	5.14% due Oct. 13, 2020	54,063,421	60,042,744
	Calloway Real Estate Investment Trust		
30,000,000	3.75% due Feb. 11, 2021	30,023,700	30,705,854
	Canadian Imperial Bank of Commerce		
50,000,000	2.35% due Oct. 18, 2017	49,986,000	50,626,319
	Canadian Natural Resources Limited		
37,500,000	3.05% due Jun. 19, 2019	37,648,157	38,472,074
	Canadian Natural Resources Limited (callable)		
39,000,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	38,856,870	39,090,558
	Canadian Pacific Railway Company		
22,000,000	6.25% due Jun. 1, 2018	21,882,571	25,312,969
	Caterpillar Financial Services Limited		
36,000,000	2.63% due Jun. 1, 2017	35,991,720	36,829,101
	CIBC Capital Trust (callable)		
65,000,000	9.98% due Jun. 30, 2108-(2019)	75,666,317	85,270,295
	Corus Entertainment Inc.		
27,000,000	4.25% due Feb. 11, 2020	26,960,000	26,797,759
	Enbridge Gas Distribution Inc.		
59,000,000	4.04% due Nov. 23, 2020	60,608,876	64,193,255
	Enbridge Pipelines Inc.		
41,000,000	4.45% due Apr. 6, 2020	46,269,830	45,368,726
22,000,000	3.79% due Aug. 17, 2023	22,089,460	23,176,237
	EnCana Corporation		
39,000,000	5.80% due Jan. 18, 2018	43,065,217	43,884,690
	Finning International Inc.		
46,000,000	6.02% due Jun. 1, 2018	47,960,776	52,385,049
	First Capital Realty Inc.		
40,000,000	3.90% due Oct. 30, 2023	40,477,600	40,177,826
20,000,000	4.79% due Aug. 30, 2024	20,563,500	21,254,940
	Ford Credit Canada Limited		
35,000,000	3.70% due Aug. 2, 2018	34,994,351	36,594,092
35,000,000	3.28% due Jul. 2, 2021	35,000,000	35,131,904
	General Electric Capital Corporation		
55,000,000	2.42% due May 31, 2018	54,774,650	55,711,035
55,056,000	4.60% due Jan. 26, 2022	56,215,145	61,499,853

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

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Genesis Trust II		
72,000,000	2.30% due Feb. 15, 2017	72,151,086	72,961,032
	Great-West Lifeco Inc.		
48,000,000	4.65% due Aug. 13, 2020	50,168,150	53,450,000
	Greater Toronto Airports Authority		
75,000,000	5.96% due Nov. 20, 2019	85,879,750	88,632,095
	Honda Canada Finance Inc.		
30,000,000	2.28% due Dec. 11, 2017	30,000,000	30,336,781
	HSBC Bank of Canada		
56,000,000	2.94% due Jan. 14, 2020	56,000,000	57,267,416
	Husky Energy Inc.		
60,000,000	5.00% due Mar. 12, 2020	63,508,639	67,356,537
	Inter Pipeline Fund		
57,000,000	3.45% due Jul. 20, 2020	56,818,210	59,130,963
	International Business Machines Corporation		
70,000,000	2.20% due Feb. 10, 2017	70,355,695	70,903,654
	John Deere Canada Funding Inc.		
25,000,000	1.95% due Apr. 12, 2017	24,898,950	25,108,543
30,000,000	2.35% due Jun. 24, 2019	29,967,600	29,992,988
	JPMorgan Chase & Co.		
45,000,000	3.19% due Mar. 5, 2021	44,983,350	45,516,141
	Loblaw Companies Limited		
60,000,000	3.75% due Mar. 12, 2019	60,000,000	63,179,640
	Master Credit Card Trust		
27,000,000	2.63% due Jan. 21, 2017	27,166,800	27,560,612
37,000,000	2.72% due Nov. 21, 2018	37,288,424	37,846,381
	National Bank of Canada		
55,000,000	2.69% due Aug. 21, 2017	55,812,000	56,231,330
55,000,000	2.79% due Aug. 9, 2018	56,133,100	56,311,232
	NAV Canada		
47,000,000	5.30% due Apr. 17, 2019	52,269,387	53,711,330
34,000,000	4.40% due Feb. 18, 2021	35,156,180	37,809,449
	RioCan Real Estate Investment Trust		
20,000,000	3.75% due May 30, 2022	20,000,000	20,218,942
	Rogers Communications Inc.		
52,000,000	5.34% due Mar. 22, 2021	53,109,620	58,975,157
27,500,000	4.00% due Jun. 6, 2022	27,434,150	28,699,031
	Royal Bank of Canada		
60,000,000	2.89% due Oct. 11, 2018	59,994,600	61,710,346
	Royal Bank of Canada (callable)		
91,000,000	2.99% due Dec. 6, 2024-(2019)	91,279,583	93,017,806
	Scotiabank Tier I Trust (callable)		
41,500,000	7.80% due Jun. 30, 2108-(2019)	46,270,484	51,123,391
	Shaw Communications Inc.		
50,000,000	5.65% due Oct. 1, 2019	50,173,826	56,985,200
10,000,000	4.35% due Jan. 31, 2024	9,997,600	10,438,201
	Sobeys Inc.		
38,000,000	3.52% due Aug. 8, 2018	37,984,420	39,372,602
	Suncor Energy, Inc.		
60,000,000	5.80% due May 22, 2018	62,940,993	68,044,508
	TD Capital Trust III (callable)		
37,000,000	7.24% due Dec. 31, 2049-(2018)	39,751,558	44,343,384
	TELUS Corporation (callable)		
40,000,000	3.35% due Mar. 15, 2023-(Dec. 15, 2022)	39,953,200	39,945,440
50,000,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	49,717,500	49,120,686
	Teranet Holdings LP		
50,000,000	4.81% due Dec. 16, 2020	49,942,593	55,029,335
	Thomson Reuters Corporation		
20,000,000	4.35% due Sep. 30, 2020	20,472,000	21,595,168
	Toronto Hydro Corporation		
25,000,000	3.54% due Nov. 18, 2021	25,220,557	26,308,569
	Toronto Hydro Corporation (callable)		
25,000,000	2.91% due Apr. 10, 2023-(Jan. 10, 2023)	24,169,750	24,771,123
	Toronto-Dominion Bank, The (callable)		
60,000,000	4.78% due Dec. 14, 2105-(2016)	59,615,631	64,076,573
	Toronto-Dominion Bank, The		
76,670,000	2.56% due Jun. 24, 2020	76,670,000	76,910,443
	VW Credit Canada, Inc.		
45,000,000	2.20% due Oct. 11, 2016	45,018,400	45,491,351
	Wells Fargo Financial Canada Corporation		
56,485,000	3.04% due Jan. 29, 2021	56,460,147	57,373,715
		3,170,414,670	3,290,148,925
	TOTAL INVESTMENT PORTFOLIO	3,536,057,890	3,662,757,258
	Futures Contracts – 0.1%		3,910,653
	OTHER ASSETS, LESS LIABILITIES – 0.8%		29,912,493
	NET ASSETS – 100.0%		3,696,580,404

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(2,000)	U.S. 5 Year Treasury Note – Sep. 2014	(257,245,970)	(254,893,502)	2,352,468
(2,500)	Canada Bond Futures – Sep. 2014	(339,664,580)	(339,950,000)	(285,420)
				2,067,048

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, $2,500,000 of the June 15, 2024 Canada Housing Trust 2.9% are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A+ by Standard & Poor's.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds issued by Canadian corporations. The Fund can also invest up to 30% in foreign securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$3,281,361,372	$2,948,989,999
Revaluation of Investments at FVTPL	7,472,535	7,201,862
Net assets attributable to holders of redeemable units	$3,288,833,907	$2,956,191,861

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(12,213,372)
Revaluation of Investments at FVTPL	(411,336)
Increase (decrease) in net assets attributable to holders of redeemable units	$(12,624,708)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	486,674,043	290,453,681	179,157,020
3-5 years	988,918,264	965,326,645	1,077,775,804
5-10 years	2,165,910,011	1,950,004,406	1,664,501,353
> 10 years	21,254,940	45,960,952	–
Total	$3,662,757,258	$3,251,745,684	$2,921,434,177

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $45,895,517 or approximately 1.2% of total net assets attributable to holders of redeemable units (December 31, 2013 – $39,956,349 or approximately 1.2% net assets attributable to holders of redeemable units, January 1, 2013 – $35,782,291 or approximately 1.2% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	14.0	13.8	13.0	12.9	10.9	10.8
AA	25.5	25.2	25.2	24.9	26.5	26.1
A	38.4	38.2	40.5	40.0	47.6	47.1
BBB	21.4	21.2	20.5	20.3	15.0	14.8
BB	0.7	0.7	0.8	0.8	–	–
Total	100.0	99.1	100.0	98.9	100.0	98.8

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$47,555,268	$ –	$3,385,462	$ –	$2,523,169
Redeemable units	3,696,580,404	–	3,288,833,907	–	2,955,972,861	–
	$3,696,580,404	$47,555,268	$3,288,833,907	$3,385,462	$2,955,972,861	$2,523,169

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	7.2	6.1	3.2
Mortgage-Backed Securities	2.9	3.3	4.6
Corporate Bonds	89.0	89.5	91.0
Futures Contracts	0.1	0.1	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$3,662,757,258	$ –	$3,662,757,258
Futures Contracts (Short)	2,067,048	–	–	2,067,048
	$2,067,048	$3,662,757,258	$ –	$3,664,824,306

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$3,251,745,684	$ –	$3,251,745,684
Futures Contracts (Short)	3,270,000	–	–	3,270,000
	$3,270,000	$3,251,745,684	$ –	$3,255,015,684

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$2,921,434,177	$ –	$2,921,434,177
Futures Contracts (Short)	741,280	–	–	741,280
	$ 741,280	$2,921,434,177	$ –	$2,922,175,457

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. $ Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
	U.S.$	U.S.$	U.S.$
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$85,807,856	$108,005,438	$173,014,593
Cash	792,068	591,058	2,439,512
Accrued investment income	548,767	660,307	1,274,104
Receivable for securities sold	–	–	5,656,601
Subscriptions receivable	1,025	4,725	141,321
	87,149,716	109,261,528	182,526,131
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	5,660,143
Distributions payable	2,929	15	167
Redemptions payable	51,967	181,357	382,080
Accrued expenses	129,122	–	–
	184,018	181,372	6,042,390
Net Assets attributable to holders of redeemable units	$86,965,698	$109,080,156	$176,483,741
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$86,320,410	$108,476,364	$176,197,285
Series F Units	$ 645,288	$ 603,792	$ 286,456
UNITS OUTSTANDING			
Series A Units	7,734,320	9,955,943	15,122,211
Series F Units	57,986	55,570	24,642
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.16	$ 10.90	$ 11.65
Series F Units	$ 11.13	$ 10.87	$ 11.62

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
	U.S.$	U.S.$
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 986,315	$ 2,424,130
Net realized gain (loss) on non-derivative financial assets	(1,108,842)	(2,602,379)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	3,518,806	(5,593,301)
Net gain (loss) on investments	3,396,279	(5,771,550)
Securities lending	811	1,931
Other income	89	1,851
Total income (loss)	3,397,179	(5,767,768)
EXPENSES		
Management fees (note 5)	694,076	1,221,737
Harmonized Sales Tax/Goods and Services Tax	79,314	146,750
Audit fees	1,137	1,980
Independent Review Committee fees	140	287
Custodian fees	1,844	1,715
Filing fees	13,380	11,083
Legal fees	293	699
Unitholder reporting costs	4,550	5,266
Unitholder administration and service fees	20,142	24,811
Overdraft charges	96	218
Total expenses	814,972	1,414,546
Absorbed expenses	(2,176)	(444)
Net expenses	812,796	1,414,102
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 2,584,383	$ (7,181,870)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 2,567,082	$ (7,159,230)
Series F Units	$ 17,301	$ (22,640)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.31	$ (0.50)
Series F Units	$ 0.29	$ (0.58)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	8,384,204	14,418,220
Series F Units	59,714	38,975

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. $ Bond Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
	U.S.$	U.S.$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$108,476,364	$176,197,285
Series F Units	603,792	286,456
	109,080,156	176,483,741
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,567,082	(7,159,230)
Series F Units	17,301	(22,640)
	2,584,383	(7,181,870)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(166,785)	(1,102,923)
Series F Units	(1,983)	(4,022)
	(168,768)	(1,106,945)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,709,277	15,789,226
Series F Units	56,000	402,763
Reinvested distributions		
Series A Units	154,366	1,005,067
Series F Units	1,807	3,823
Payments on redemption		
Series A Units	(26,419,894)	(36,360,256)
Series F Units	(31,629)	(95,057)
	(24,530,073)	(19,254,434)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(22,155,954)	(27,828,116)
Series F Units	41,496	284,867
	(22,114,458)	(27,543,249)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	86,320,410	148,369,169
Series F Units	645,288	571,323
	$ 86,965,698	$148,940,492

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
	U.S.$	U.S.$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,584,383	$ (7,181,870)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	1,108,842	2,602,379
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(3,518,806)	5,593,301
Purchases of non-derivative financial assets	(140,449,852)	(257,953,207)
Proceeds from sale of non-derivative financial assets	165,057,398	274,851,071
Accrued investment income	111,540	245,624
Accrued expenses	129,122	204,643
Net cash provided by (used in) operating activities	25,022,627	18,361,942
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,768,977	16,233,227
Amounts paid on redemption of redeemable units	(26,580,913)	(36,609,751)
Distributions to unitholders of redeemable units	(9,681)	(82,051)
Net cash provided by (used in) financing activities	(24,821,617)	(20,458,575)
Net increase (decrease) in cash	201,010	(2,096,633)
Cash at beginning of period	591,058	2,439,512
CASH AT END OF PERIOD	$ 792,068	$ 342,879
Interest received(1)	1,097,855	2,669,754

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S.$		U.S.$	U.S.$
BOND AND DEBENTURE INSTRUMENTS – 98.7%			
Federal Bonds – 23.0%			
	Export Development Canada		
2,900,000	1.25% due Oct. 27, 2015	2,939,701	2,914,035
	Government of Canada		
17,000,000	0.88% due Feb. 14, 2017	17,042,500	17,048,607
		19,982,201	19,962,642
Provincial Bonds – 29.2%			
	Province of Manitoba		
3,900,000	2.10% due Sep. 6, 2022	3,741,000	3,722,743
	Province of Ontario		
21,000,000	2.30% due May 10, 2016	21,762,682	21,689,578
		25,503,682	25,412,321
Corporate Bonds – 31.7%			
	Anheuser-Busch InBev NV		
1,900,000	2.63% due Jan. 17, 2023	1,896,827	1,827,373
	BP Capital Markets PLC		
1,900,000	2.24% due Sep. 26, 2018	1,906,612	1,936,946
	Caterpillar Inc.		
1,100,000	3.40% due May 15, 2024	1,108,250	1,113,948
	Coca-Cola Company, The		
1,100,000	3.20% due Nov. 1, 2023	1,097,800	1,113,827
	Deere & Company (callable)		
1,900,000	2.60% due Jun. 8, 2022-(Mar.08, 2022)	1,948,051	1,863,055
	General Electric Company		
1,900,000	3.10% due Jan. 9, 2023	1,908,265	1,883,708
	International Business Machines Corporation		
1,300,000	1.63% due May 15, 2020	1,244,100	1,250,288
	McDonald's Corporation		
1,100,000	3.63% due May 20, 2021	1,183,300	1,173,777
	Merck & Co., Inc.		
1,100,000	1.10% due Jan. 31, 2018	1,094,500	1,087,427
	Pfizer Inc.		
1,100,000	2.10% due May 15, 2019	1,112,100	1,107,904
	Procter & Gamble Company, The		
1,900,000	3.10% due Aug. 15, 2023	1,881,000	1,918,652
	Shell International Finance		
1,900,000	2.25% due Jan. 6, 2023	1,853,602	1,800,108
	Total Capital SA		
1,900,000	2.70% due Jan. 25, 2023	1,941,515	1,880,497
	Toyota Motor Credit Corp		
1,900,000	2.63% due Jan. 10, 2023	1,881,000	1,846,021
	Wal-Mart Stores Inc. (callable)		
1,900,000	2.55% due Apr. 11, 2023-(Jan.11, 2023)	1,906,954	1,833,396
	Walt Disney Company, The		
1,900,000	2.75% due Aug. 16, 2021	1,890,500	1,925,147
	Wells Fargo & Company		
1,900,000	3.50% due Mar. 8, 2022	2,019,149	1,970,006
		27,873,525	27,532,080
United States Treasury Notes – 14.8%			
	United States Treasury Note		
5,200,000	4.50% due Feb. 15, 2036	6,021,133	6,309,469
7,365,000	2.75% due Aug. 15, 2042	6,283,283	6,591,344
		12,304,416	12,900,813
	TOTAL INVESTMENT PORTFOLIO	85,663,824	85,807,856
	OTHER ASSETS, LESS LIABILITIES – 1.3%		1,157,842
	NET ASSETS – 100.0%		86,965,698

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

Scotia U.S. $ Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments, Canadian corporations, and supranational entities, such as the World Bank.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$109,020,773	$176,321,989
Revaluation of Investments at FVTPL	59,383	161,752
Net assets attributable to holders of redeemable units	$109,080,156	$176,483,741

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(7,128,023)
Revaluation of Investments at FVTPL	(53,847)
Increase (decrease) in net assets attributable to holders of redeemable units	$(7,181,870)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ 13,669,784
1-3 years	41,652,225	19,762,103	41,587,982
3-5 years	4,132,276	40,824,112	33,903,204
5-10 years	27,122,542	37,355,560	41,553,759
> 10 years	12,900,813	10,063,663	35,034,113
Total	$85,807,856	$108,005,438	$165,748,842

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $1,296,834 or approximately 1.5% of total net assets attributable to holders of redeemable units (December 31, 2013 – $1,542,635 or approximately 1.4% net assets attributable to holders of redeemable units, January 1, 2013 – $2,682,606 or approximately 1.5% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	23.3	23.0	37.3	36.9	32.3	30.4
AA	54.9	54.1	41.6	41.2	40.2	37.7
A	21.8	21.6	13.2	13.1	21.6	20.3
BBB	–	–	7.9	7.8	5.9	5.5
Total	100.0	98.7	100.0	99.0	100.0	93.9

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$184,018	$ –	$181,372	$ –	$6,042,390
Redeemable units	86,965,698	–	109,080,156	–	176,483,741	–
	$86,965,698	$184,018	$109,080,156	$181,372	$176,483,741	$6,042,390

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	23.0	32.0	4.7
Provincial Bonds	29.2	–	37.5
Corporate Bonds	31.7	36.6	33.5
United States Treasury Notes	14.8	30.4	18.2
Money Market Instruments	–	–	4.1

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$ 85,807,856	$ –	$ 85,807,856

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$108,005,438	$ –	$108,005,438

Scotia U.S. $ Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$165,748,842	$ –	$165,748,842
Money Market Instruments	–	7,265,751	–	7,265,751
	$ –	$173,014,593	$ –	$173,014,593

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$12,413,086	$12,803,311	$32,676,054
Unrealized gain on currency forward contracts	3,044	15,363	2,422
Cash	111,021	573,509	438,869
Accrued investment income	127,720	77,013	203,317
Subscriptions receivable	910	3,167	16,284
	12,655,781	13,472,363	33,336,946
LIABILITIES			
Current liabilities			
Distributions payable	–	–	3
Redemptions payable	24,720	8,145	4,299
Accrued expenses	24,086	–	–
Unrealized loss on currency forward contracts	6,167	61,957	130,712
	54,973	70,102	135,014
Net Assets attributable to holders of redeemable units	$12,600,808	$13,402,261	$33,201,932
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$12,600,808	$13,402,261	$17,770,050
Series I Units	$ –	$ –	$15,431,882
UNITS OUTSTANDING			
Series A Units	1,446,725	1,623,614	2,062,383
Series I Units	–	–	1,802,444
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 8.71	$ 8.25	$ 8.62
Series I Units	$ –	$ –	$ 8.56

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 162,631	$ 441,868
Net realized gain (loss) on non-derivative financial assets	238,571	308,950
Net realized gain (loss) on currency forwards	(17,769)	(588,818)
Net gain (loss) foreign exchange	46,613	(53,792)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	412,396	(642,040)
Change in unrealized appreciation (depreciation) of currency forwards	43,471	120,444
Net gain (loss) on investments	885,913	(413,388)
Securities lending	–	1
Other income	15	2,304
Total income (loss)	885,928	(411,083)
EXPENSES		
Management fees (note 5)	99,489	122,520
Harmonized Sales Tax/Goods and Services Tax	13,293	16,888
Audit fees	263	406
Independent Review Committee fees	20	55
Custodian fees	382	500
Filing fees	4,109	7,916
Legal fees	42	141
Unitholder reporting costs	4,679	4,878
Unitholder administration and service fees	17,543	22,922
Net expenses	139,820	176,226
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 746,108	$ (587,309)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 746,108	$ (398,900)
Series I Units	$ –	$ (188,409)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.49	$ (0.20)
Series I Units	$ –	$ (0.10)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,526,891	1,976,755
Series I Units	–	1,808,498

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Global Bond Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$13,402,261	$17,770,050
Series I Units	–	15,431,882
	13,402,261	33,201,932
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	746,108	(398,900)
Series I Units	–	(188,409)
	746,108	(587,309)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	–	(61,069)
Series I Units	–	(199,179)
	–	(260,248)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	427,552	1,082,871
Series I Units	–	293,993
Reinvested distributions		
Series A Units	–	59,696
Series I Units	–	199,179
Payments on redemption		
Series A Units	(1,975,113)	(2,694,253)
Series I Units	–	(966,750)
	(1,547,561)	(2,025,264)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(801,453)	(2,011,655)
Series I Units	–	(861,166)
	(801,453)	(2,872,821)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS– END OF PERIOD		
Series A Units	12,600,808	15,758,395
Series I Units	–	14,570,716
	$12,600,808	$30,329,111

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 746,108	$ (587,309)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(238,571)	(308,950)
Net realized gain (loss) foreign exchange on cash	(46,613)	53,792
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(412,396)	642,039
Change in unrealized appreciation (depreciation) of forward currency contracts	(43,471)	(120,444)
Purchases of non-derivative financial assets	(11,184,391)	(18,979,978)
Proceeds from sale of non-derivative financial assets	12,225,583	22,235,191
Accrued investment income	(50,707)	(25,378)
Accrued expenses	24,086	26,854
Net cash provided by (used in) operating activities	1,019,628	2,935,817
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	429,809	1,392,586
Amounts paid on redemption of redeemable units	(1,958,538)	(3,591,051)
Distributions to unitholders of redeemable units	–	(1,376)
Net cash provided by (used in) financing activities	(1,528,729)	(2,199,841)
Net gain (loss) foreign exchange on cash	46,613	(53,792)
Net increase (decrease) in cash	(509,101)	735,976
Cash at beginning of period	573,509	438,869
CASH AT END OF PERIOD	$ 111,021	$ 1,121,053
Interest received(1)	111,924	416,490

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 98.5%			
Australian Dollar – 11.1%			
	Government of Australia		
1,300,000	4.50% due Apr. 15, 2020	1,344,359	1,403,663
British Pound – 7.0%			
	United Kingdom Treasury Gilt		
400,000	5.00% due Mar. 7, 2025	790,484	879,249
Euro – 36.3%			
	Bundesrepublik Deutschland		
500,000	3.25% due Jul. 4, 2021	868,795	858,730
	Government of France		
700,000	3.25% due Oct. 25, 2021	1,181,642	1,182,354
	Government of Netherlands		
700,000	3.25% due Jul. 15, 2021	1,185,486	1,185,550
	Italy Buoni Poliennali Del Tesoro		
500,000	3.75% due Mar. 1, 2021	791,573	813,106
	Spain Government Bond		
300,000	5.50% due Apr. 30, 2021	541,386	540,470
		4,568,882	4,580,210
Swedish Krona – 2.5%			
	Swedish Government		
1,700,000	3.50% due Jun. 1, 2022	319,241	311,784
United States Dollar – 41.6%			
	United States Treasury Note		
2,500,000	0.25% due Nov. 30, 2015	2,657,815	2,668,267
2,000,000	2.75% due Nov. 15, 2023	2,197,368	2,188,000
400,000	2.75% due Aug. 15, 2042	367,937	381,913
		5,223,120	5,238,180
	TOTAL INVESTMENT PORTFOLIO	12,246,086	12,413,086
	Currency Forward Contracts – 0.0%		(3,123)
	OTHER ASSETS, LESS LIABILITIES – 1.5%		190,845
	NET ASSETS – 100.0%		12,600,808

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

Scotia Global Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Aug. 29, 2014	British Pound	261,000	U.S. Dollar	444,287	474,341	2,162
Aug. 29, 2014	Japanese Yen	327,755,000	U.S. Dollar	3,234,116	3,450,729	881
Aug. 29, 2014	U.S. Dollar	1,224,677	Australian Dollar	1,305,000	1,307,327	(781)
Aug. 29, 2014	U.S. Dollar	899,865	European Euro	659,000	962,876	(2,856)
Aug. 29, 2014	U.S. Dollar	290,730	Swedish Krona	1,960,000	312,694	(2,529)
						(3,123)

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

Scotia Global Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a high level of regular interest income. It invests primarily in foreign currency denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$13,391,251	$33,164,973
Revaluation of Investments at FVTPL	11,010	36,959
Net assets attributable to holders of redeemable units	$13,402,261	$33,201,932

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(580,729)
Revaluation of Investments at FVTPL	(6,580)
Increase (decrease) in net assets attributable to holders of redeemable units	$(587,309)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ 5,025,195
1-3 years	2,668,267	5,569,261	9,174,516
3-5 years	–	898,599	3,660,849
5-10 years	8,483,657	4,378,018	3,639,514
> 10 years	1,261,162	1,957,433	10,984,571
Total	$12,413,086	$12,803,311	$32,484,645

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, total net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $186,296 or approximately 1.5% of total net assets attributable to holders of redeemable units (December 31, 2013 – $203,702 or approximately 1.5% net assets attributable to holders of redeemable units, January 1, 2013 – $565,429 or approximately 1.7% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	3,942,336	31.3	394,234	3.1
European Euro	3,624,578	28.8	362,458	2.9
Japanese Yen	3,450,729	27.4	345,073	2.7
British Pound	1,353,591	10.7	135,359	1.1
Australian Dollar	125,759	1.0	12,576	0.1
Swedish Krona	8,585	0.1	859	0.0
Total	12,505,578	99.3	1,250,559	9.9

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	4,043,633	30.2	404,363	3.0
European Euro	3,815,573	28.5	381,557	2.9
Japanese Yen	3,653,779	27.3	365,378	2.7
British Pound	1,136,927	8.5	113,693	0.9
Australian Dollar	153,399	1.1	15,340	0.1
Total	12,803,311	95.6	1,280,331	9.6

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	16,242,276	48.9	1,624,228	4.9
European Euro	2,232,393	6.7	223,239	0.7
Japanese Yen	10,155,694	30.6	1,015,569	3.1
British Pound	2,529,494	7.6	252,949	0.8
South Korean Won	523,031	1.6	52,303	0.2
Australian Dollar	373,205	1.1	37,321	0.1
Mexican Peso	198,642	0.6	19,864	0.1
Total	32,254,735	97.1	3,225,473	9.9

iii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	46.9	46.2	46.8	44.7	78.7	77.0
AA	42.2	41.6	53.2	50.8	8.4	8.2
A	10.9	10.7	–	–	12.9	12.6
Total	100.0	98.5	100.0	95.5	100.0	97.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$48,806	$ –	$ 8,145	$ –	$ 4,302
Unrealized loss on currency forward contracts	–	6,167	–	61,957	–	130,712
Redeemable units	12,600,808	–	13,402,261	–	33,201,932	–
	$12,600,808	$54,973	$13,402,261	$70,102	$33,201,932	$135,014

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Australian Dollar Bonds	11.1	25.9	14.7
British Pounds Bonds	7.0	18.8	15.2
European Euro Bonds	36.3	–	–
Swedish Krona Bonds	2.5	–	–
United States Dollar Bonds	41.6	50.8	67.9
Money Market Instruments	–	–	0.6
Currency Forward Contracts	0.0	(0.3)	(0.4)

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$12,413,086	$ –	$12,413,086
Currency Forward Contracts–Assets	–	3,044	–	3,044
	–	12,416,130	–	12,416,130
Currency Forward Contracts–Liabilities	–	(6,167)	–	(6,167)
	$ –	$12,409,963	$ –	$12,409,963

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$12,803,311	$ –	$12,803,311
Currency Forward Contracts–Assets	–	15,363	–	15,363
	–	12,818,674	–	12,818,674
Currency Forward Contracts–Liabilities	–	(61,957)	–	(61,957)
	$ –	$12,756,717	$ –	$12,756,717

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$32,484,645	$ –	$32,484,645
Money Market Instruments	–	191,409	–	191,409
Currency Forward Contracts–Assets	–	2,422	–	2,422
	–	32,678,476	–	32,678,476
Currency Forward Contracts–Liabilities	–	(130,712)	–	(130,712)
	$ –	$ 2,547,764	$ –	$32,547,764

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Diversified Monthly Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,514,093,765	$2,385,880,681	$2,156,043,970
Unrealized gain on currency forward contracts	4,232,103	–	–
Unrealized gain on swap contracts	2,988	–	–
Cash	259,668,903	255,967,984	230,024,652
Accrued investment income	5,197,509	4,458,542	5,255,085
Receivable for securities sold	–	691,719	655,972
Subscriptions receivable	2,568,583	3,207,837	3,054,122
	2,785,763,851	2,650,206,763	2,395,033,801
LIABILITIES			
Current liabilities			
Payable for securities purchased	184,780	4,329,000	–
Distributions payable	567,717	584,698	579,315
Redemptions payable	2,839,776	2,075,704	1,589,905
Accrued expenses	3,406,863	–	–
Unrealized loss on currency forward contracts	–	474,643	623,792
	6,999,136	7,464,045	2,793,012
Net Assets attributable to holders of redeemable units	$2,778,764,715	$2,642,742,718	$2,392,240,789
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$2,771,748,830	$2,632,895,546	$2,387,353,361
Advisor Series Units	$ 6,008,454	$ 9,030,665	$ 4,036,351
Series F Units	$ 1,007,431	$ 816,507	$ 851,077
UNITS OUTSTANDING			
Series A Units	251,190,349	249,028,827	238,857,780
Advisor Series Units	559,641	876,043	411,343
Series F Units	87,272	74,094	82,086
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.03	$ 10.57	$ 9.99
Advisor Series Units	$ 10.74	$ 10.31	$ 9.81
Series F Units	$ 11.54	$ 11.02	$ 10.37

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 24,497,698	$ 23,490,707
Interest for distribution purposes	21,588,816	21,738,108
Capital gains distributions received	437,926	829,998
Net realized gain (loss) on non-derivative financial assets	61,340,486	23,440,528
Net realized gain (loss) on futures contracts	589,320	461,275
Net realized gain (loss) on currency forwards	(4,513,762)	(3,921,191)
Net realized gain (loss) on swap contracts	(1,880,792)	673,844
Net gain (loss) foreign exchange	(2,170,244)	470,602
Change in unrealized appreciation (depreciation) of non-derivative financial assets	77,841,162	(4,732,150)
Change in unrealized appreciation (depreciation) of currency forwards	4,706,746	(5,828,276)
Change in unrealized appreciation (depreciation) of swap contracts	2,988	(572,674)
Net gain (loss) on investments	182,440,344	56,050,771
Securities lending	67,724	18,216
Other income	31,378	27,869
Total income (loss)	182,539,446	56,096,856
EXPENSES		
Management fees (note 5)	16,823,577	15,447,671
Harmonized Sales Tax/Goods and Services Tax	1,929,222	1,838,881
Audit fees	28,953	29,316
Independent Review Committee fees	4,007	4,335
Custodian fees	16,927	16,493
Filing fees	57,031	60,781
Legal fees	8,546	10,509
Unitholder reporting costs	74,490	64,323
Unitholder administration and service fees	532,767	507,007
Overdraft charges	5	21
Foreign withholding taxes/tax reclaims	1,055,299	517,293
Transaction costs	778,913	651,417
Total expenses	21,309,737	19,148,047
Absorbed expenses	(2,956)	(3,269)
Net expenses	21,306,781	19,144,778
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$161,232,665	$ 36,952,078
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$160,763,664	$ 36,875,866
Advisor Series Units	$ 412,176	$ 61,232
Series F Units	$ 56,825	$ 14,980
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.64	$ 0.15
Advisor Series Units	$ 0.60	$ 0.16
Series F Units	$ 0.71	$ 0.20
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	250,446,242	246,893,896
Advisor Series Units	681,880	394,643
Series F Units	80,018	76,209

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$2,632,895,546	$2,387,353,361
Advisor Series Units	9,030,665	4,036,351
Series F Units	816,507	851,077
	2,642,742,718	2,392,240,789
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	160,763,664	36,875,866
Advisor Series Units	412,176	61,232
Series F Units	56,825	14,980
	161,232,665	36,952,078
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(45,034,045)	(44,557,988)
Advisor Series Units	(117,334)	(70,108)
Series F Units	(14,461)	(13,514)
	(45,165,840)	(44,641,610)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	258,507,306	327,928,701
Advisor Series Units	522,704	291,400
Series F Units	197,349	30,851
Reinvested distributions		
Series A Units	41,621,741	40,995,746
Advisor Series Units	72,371	39,129
Series F Units	10,791	6,742
Payments on redemption		
Series A Units	(277,005,382)	(235,637,305)
Advisor Series Units	(3,912,128)	(869,946)
Series F Units	(59,580)	(129,234)
	19,955,172	132,656,084
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	138,853,284	125,605,020
Advisor Series Units	(3,022,211)	(548,293)
Series F Units	190,924	(90,175)
	136,021,997	124,966,552
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	2,771,748,830	2,512,958,381
Advisor Series Units	6,008,454	3,488,058
Series F Units	1,007,431	760,902
	$2,778,764,715	$2,517,207,341

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 161,232,665	$ 36,952,078
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(61,340,486)	(23,440,528)
Net realized gain (loss) foreign exchange on cash	2,170,244	(470,602)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(77,841,162)	4,732,150
Change in unrealized appreciation (depreciation) of forward currency contracts	(4,706,746)	5,828,276
Change in unrealized appreciation (depreciation) of swap contracts	(2,988)	572,674
Purchases of non-derivative financial assets	(444,635,358)	(384,315,797)
Proceeds from sale of non-derivative financial assets	451,372,506	252,204,004
Transaction costs	778,913	647,104
Accrued investment income	(738,967)	(278,435)
Accrued expenses	3,406,863	2,825,677
Change in margin accounts for futures contracts	–	(646,850)
Net cash provided by (used in) operating activities	29,695,484	(105,390,249)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	259,866,614	329,102,426
Amounts paid on redemption of redeemable units	(280,213,018)	(235,927,663)
Distributions to unitholders of redeemable units	(3,477,917)	(3,570,746)
Net cash provided by (used in) financing activities	(23,824,321)	89,604,017
Net gain (loss) foreign exchange on cash	(2,170,244)	470,602
Net increase (decrease) in cash	5,871,163	(15,786,232)
Cash at beginning of period	255,967,984	230,024,652
CASH AT END OF PERIOD	$ 259,668,903	$ 214,709,022
Interest received(1)	21,564,691	21,704,395
Dividends received, net of withholding taxes(1)	22,727,559	22,728,692

(1) Classified as operating items.

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

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 53.2%			
CANADIAN EQUITIES – 33.8%			
Energy – 17.2%			
433,800	ARC Resources Ltd.	14,143,048	14,094,162
488,567	Baytex Energy Corporation	22,627,115	24,061,925
640,700	Canadian Natural Resources Ltd.	25,758,948	31,413,521
1,806,388	Crescent Point Energy Corp.	76,903,525	85,424,089
1,220,000	Enbridge Inc.	45,464,658	61,768,600
973,352	Gibson Energy Inc.	18,805,726	33,132,902
877,168	Inter Pipeline Ltd.	21,359,041	29,051,804
1,084,500	Pembina Pipeline Corporation	29,751,784	49,789,395
6,043,861	Pengrowth Energy Corp.	58,348,368	46,235,537
530,200	Suncor Energy, Inc.	20,825,708	24,124,100
995,000	TransCanada Corporation	40,379,185	50,675,350
363,450	Vermilion Energy, Inc.	17,713,118	26,986,163
		392,080,224	476,757,548
Materials – 1.2%			
260,000	Agrium Inc.	27,647,501	25,415,000
1,632,968	Canexus Corp.	10,482,887	8,001,543
		38,130,388	33,416,543
Consumer Staples – 0.7%			
430,000	Loblaw Companies Limited	20,178,250	20,476,600
Financials – 10.3%			
1,090,000	Bank of Nova Scotia, The	59,010,292	77,542,599
309,800	CI Financial Corporation	9,789,680	10,858,490
414,215	Dundee Real Estate Investment Trust	12,847,280	12,132,357
598,178	First Capital Realty, Inc.	7,873,293	11,138,074
857,000	Great-West Lifeco Inc.	24,519,896	25,864,260
618,200	H&R Real Estate Investment Trust	13,289,004	14,317,512
666,623	RioCan Real Estate Investment Trust	18,106,638	18,205,474
488,000	Royal Bank of Canada	33,639,642	37,224,640
1,428,600	Toronto-Dominion Bank, The	54,233,906	78,472,998
		233,309,631	285,756,404
Telecommunication Services – 2.6%			
545,000	BCE Inc.	18,865,324	26,378,000
285,720	Rogers Communications, Inc., Class B	10,201,220	12,268,817
814,988	TELUS Corporation	24,483,356	32,412,073
		53,549,900	71,058,890
Utilities – 1.8%			
1,046,273	Brookfield Infrastructure Partners LP	25,753,735	46,590,537
152,593	Brookfield Renew Energy Partners LP	3,343,714	4,812,783
		29,097,449	51,403,320
	TOTAL CANADIAN EQUITIES	766,345,842	938,869,305
FOREIGN EQUITIES – 19.4%			
United States – 19.4%			
Materials – 1.9%			
511,600	LyondellBasell Industries NV, Class A	31,940,405	53,289,165
Industrials – 5.0%			
456,000	Honeywell International Inc.	36,554,886	45,206,434
420,000	Union Pacific Corporation	29,457,581	44,695,628
332,759	United Parcel Service, Inc., Class B	29,099,732	36,444,661
109,600	United Technologies Corporation	13,888,889	13,497,425
		109,001,088	139,844,148

Number of Shares/ Number of Contracts/ Number of Units/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Consumer Discretionary – 4.6%			
1,717,347	Comcast Corporation, Class A	44,766,699	98,349,783
(1,539)	Home Depot Inc., The Written Put Options $78.00 Jul. 25,2014	(180,410)	(53,361)
315,000	Walt Disney Company, The	27,800,206	28,813,558
		72,386,495	127,109,980
Consumer Staples – 0.5%			
107,800	Costco Wholesale Corporation	13,727,733	13,244,125
Health Care – 1.2%			
171,567	Johnson & Johnson	17,495,500	19,142,824
212,800	Medtronic, Inc.	13,901,977	14,478,546
		31,397,477	33,621,370
Financials – 4.8%			
375,800	Blackstone Group LP	12,097,851	13,406,824
192,100	JPMorgan Chase & Co.	12,347,510	11,801,565
(1,132)	JPMorgan Chase & Co. Written Put Options $55.00 Aug. 1,2014	(76,239)	(50,722)
375,200	Morgan Stanley	13,883,328	12,941,106
655,000	U.S. Bancorp	25,381,983	30,260,925
1,139,000	Wells Fargo & Company	39,743,180	63,849,568
		103,377,613	132,209,266
Information Technology – 0.4%			
56,000	Visa Inc.	13,262,094	12,588,559
(579)	Visa Inc. Written Put Options $205.00 Jul. 25, 2014	(166,696)	(116,129)
		13,095,398	12,472,430
Telecommunication Services – 1.0%			
510,000	Verizon Communications Inc.	26,073,500	26,608,861
	TOTAL UNITED STATES EQUITIES	400,999,709	538,399,345
	TOTAL EQUITIES	2,173,072,228	1,477,268,650
BOND AND DEBENTURE INSTRUMENTS – 0.3%			
Corporate Bonds – 0.3%			
	Fortis Inc.*		
18,500,000	4.00% due Jan. 9, 2024	5,746,500	7,072,550
FIXED INCOME FUNDS – 37.1%			
38,772,655	Scotia Canadian Income Fund Series I	526,108,705	531,266,799
46,256,741	Scotia Private Canadian Corporate Bond Pool Series I	479,750,778	498,485,766
		1,005,859,483	1,029,752,565
	TOTAL INVESTMENT PORTFOLIO	2,178,951,534	2,514,093,765
	Currency Forward Contracts – 0.2%		4,232,103
	Swap Contracts – 0.0%		2,988
	OTHER ASSETS, LESS LIABILITIES – 9.2%		260,435,859
	NET ASSETS – 100.0%		2,778,764,715

* This security is not actively traded and is considered illiquid.

For equities, all common shares unless otherwise noted.

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

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	56,066,425	U.S. Dollar	52,100,000	55,611,891	454,534
Aug. 14, 2014	Canadian Dollar	155,668,721	U.S. Dollar	143,045,000	152,799,735	2,868,986
Aug. 14, 2014	Canadian Dollar	56,130,717	U.S. Dollar	52,100,000	55,652,880	477,837
Aug. 14, 2014	Canadian Dollar	47,159,938	U.S. Dollar	43,746,000	46,729,192	430,746
						4,232,103

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of AA- by Standard & Poor's.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Blackstone Group, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
1,193	Apr. 22, 2015	37,078	0.55%	2,988

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

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

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide regular monthly income and some capital appreciation. It invests primarily in a diversified portfolio of income-generating securities such as:

- dividend-paying common shares
- preferred shares
- investment grade bonds
- convertible debentures
- mortgages
- high yield bonds
- asset-backed and mortgage-backed securities
- income trust units.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$2,642,553,302	$2,390,498,700
Revaluation of Investments at FVTPL	189,416	1,742,089
Net assets attributable to holders of redeemable units	$2,642,742,718	$2,392,240,789

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$36,178,667
Revaluation of Investments at FVTPL	773,411
Increase (decrease) in net assets attributable to holders of redeemable units	$36,952,078

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	7,072,550	–	–
> 10 years	–	3,958,500	–
Total	$7,072,550	$3,958,500	$ –

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $15,817,398 or approximately 0.6% of total net assets attributable to holders of redeemable units (December 31, 2013 – $13,782,009 or approximately 0.5% net assets attributable to holders of redeemable units, January 1, 2013 – $14,946,477 or approximately 0.6% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	310,713,208	11.2	31,071,321	1.1
Total	310,713,208	11.2	31,071,321	1.1

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	448,190,939	17.0	44,819,094	1.7
European Euro	28,157,372	1.1	2,815,737	0.1
Total	476,348,311	18.1	47,634,831	1.8

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	86,349,697	3.6	8,634,970	0.4
Total	86,349,697	3.6	8,634,970	0.4

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 53.2% (December 31, 2013 – 53.4%, January 1, 2013 – 47.7%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $147,726,865 (December 31, 2013 – $141,229,986, January 1, 2013 – $114,041,628). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	–	–	–	–	57.0	0.7
AA	–	–	–	–	43.0	0.5
A	100.0	0.3	100.0	0.2	–	–
Total	100.0	0.3	100.0	0.2	100.0	1.2

v) Liquidity risk (note 3)

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$6,999,136	$ –	$6,989,402	$ –	$2,169,220
Unrealized loss on currency forward contracts	–	–	–	474,643	–	623,792
Redeemable units	2,778,764,715	–	2,642,742,718	–	2,392,240,789	–
	$2,778,764,715	$6,999,136	$2,642,742,718	$7,464,045	$2,392,240,789	$2,793,012

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	33.8	30.4	39.4
Foreign Equities	19.4	23.0	8.3
Bond and Debenture Instruments	0.3	0.2	–
Fixed Income Funds	37.1	36.7	42.4
Currency Forward Contracts	0.2	0.0	0.0
Swap Contracts	0.0	–	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$1,477,488,862	$ –	$ –	$1,477,488,862
Options (Written Put)	(220,212)	–	–	(220,212)
Mutual Funds	1,029,752,565	–	–	1,029,752,565
Bond and Debenture Instruments	–	7,072,550	–	7,072,550
Swap Contracts–Assets	2,988	–	–	2,988
Currency Forward Contracts–Assets	–	4,232,103	–	4,232,103
	$2,507,024,203	$11,304,653	$ –	$2,518,325,868

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$1,366,297,580	$46,821,171	$ –	$1,413,118,751
Options (Written Put)	(258,974)	–	–	(258,974)
Mutual Funds	969,062,404	–	–	969,062,404
Bond and Debenture Instruments	–	3,958,500	–	3,958,500
	2,335,101,010	50,779,671	–	2,385,880,681
Currency Forward Contracts–Liabilities	–	(474,643)	–	(474,643)
	$2,335,101,010	$50,305,028	$ –	$2,385,406,038

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$1,142,864,783	$ –	$ –	$1,142,864,783
Options (Written Put)	(706,419)	–	–	(706,419)
Mutual Funds	1,013,885,606	–	–	1,013,885,606
	2,156,043,970	–	–	2,156,043,970
Currency Forward Contracts–Liabilities	–	(623,792)	–	(623,792)
	$2,156,043,970	$ (623,792)	–	$2,155,420,178

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Income Advantage Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$179,591,503	$165,702,301	$ 94,798,334
Unrealized gain on accumulator contracts	10,006	–	–
Unrealized gain on currency forward contracts	624,756	10,412	–
Unrealized gain on swap contracts	304,086	212,000	–
Cash	43,346,036	36,964,367	14,081,183
Accrued investment income	995,194	854,650	665,096
Receivable for securities sold	–	74,041	15,781
Subscriptions receivable	265,182	398,764	408,004
Margin deposited on futures	170,725		
	225,307,488	204,216,535	109,968,398
LIABILITIES			
Current liabilities			
Payable for securities purchased	16,209	329,670	–
Distributions payable	156,655	147,425	34,321
Redemptions payable	148,912	182,590	28,135
Accrued expenses	358,461	–	–
Unrealized loss on accumulator contracts	11,521	–	–
Unrealized loss on currency forward contracts	10,349	127,670	66,894
	702,107	787,355	129,350
Net Assets attributable to holders of redeemable units	$224,605,381	$203,429,180	$109,839,048
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$200,427,451	$181,332,820	$109,904,935
Series M Units	$ 24,177,930	$ 22,096,360	$ –
UNITS OUTSTANDING			
Series A Units	17,820,018	16,812,965	10,781,572
Series M Units	2,152,693	2,067,589	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.25	$ 10.79	$ 10.19
Series M Units	$ 11.23	$ 10.68	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,907,797	$ 1,296,332
Interest for distribution purposes	1,849,604	1,524,668
Capital gains distributions received	30,152	39,801
Net realized gain (loss) on non-derivative financial assets	3,577,913	549,375
Net realized gain (loss) on futures contracts	(137,534)	130,110
Net realized gain (loss) on currency forwards	(484,229)	(223,319)
Net realized gain (loss) on swap contracts	624,157	98,899
Net gain (loss) foreign exchange	140,807	21,417
Change in unrealized appreciation (depreciation) of non-derivative financial assets	7,126,665	330,301
Change in unrealized appreciation (depreciation) of accumulator contracts	(1,515)	–
Change in unrealized appreciation (depreciation) of currency forwards	731,665	(751,286)
Change in unrealized appreciation (depreciation) of swap contracts	92,086	103,345
Net gain (loss) on investments	15,457,568	3,119,643
Securities lending	17,593	7,215
Other income	1,918	5,301
Total income (loss)	15,477,079	3,132,159
EXPENSES		
Management fees (note 5)	1,758,808	1,271,188
Harmonized Sales Tax/Goods and Services Tax	183,520	136,592
Audit fees	2,172	1,656
Independent Review Committee fees	315	240
Custodian fees	2,657	3,103
Filing fees	11,307	9,722
Legal fees	673	588
Unitholder reporting costs	7,123	5,184
Unitholder administration and service fees	36,906	23,917
Overdraft charges	13	120
Foreign withholding taxes/tax reclaims	83,288	26,195
Transaction costs	61,362	51,704
Total expenses	2,148,144	1,530,209
Net expenses	2,148,144	1,530,209
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$13,328,935	$ 1,601,950
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$11,654,741	$ 1,601,950
Series M Units	$ 1,674,194	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.67	$ 0.12
Series M Units	$ 0.80	$ –
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	17,300,352	13,510,902
Series M Units	2,097,776	–

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Income Advantage Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$181,332,820	$109,904,935
Series M Units	22,096,360	–
	203,429,180	109,904,935
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	11,654,741	1,601,950
Series M Units	1,674,194	–
	13,328,935	1,601,950
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(3,642,429)	(2,909,722)
Series M Units	(531,504)	–
	(4,173,933)	(2,909,722)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	29,531,677	56,761,294
Series M Units	2,877,228	–
Reinvested distributions		
Series A Units	3,260,723	2,658,728
Payments on redemption		
Series A Units	(21,710,081)	(11,423,817)
Series M Units	(1,938,348)	–
	12,021,199	47,996,205
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	19,094,631	46,688,433
Series M Units	2,081,570	–
	21,176,201	46,688,433
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	200,427,451	156,593,368
Series M Units	24,177,930	–
	$224,605,381	$156,593,368

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 13,328,935	$ 1,601,950
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(3,577,913)	(549,375)
Net realized gain (loss) foreign exchange on cash	(140,807)	(21,417)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(7,126,665)	(330,301)
Change in unrealized appreciation (depreciation) of forward currency contracts	(731,665)	751,286
Change in unrealized appreciation (depreciation) of accumulator contracts	1,515	–
Change in unrealized appreciation (depreciation) of swap contracts	(92,086)	(103,345)
Purchases of non-derivative financial assets	(38,580,025)	(50,885,059)
Proceeds from sale of non-derivative financial assets	35,095,822	13,066,575
Transaction costs	60,158	51,704
Accrued investment income	(140,544)	(185,075)
Accrued expenses	358,461	251,856
Change in margin accounts for futures contracts	(170,725)	(276,208)
Net cash provided by (used in) operating activities	(1,715,539)	(36,627,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,542,487	56,876,849
Amounts paid on redemption of redeemable units	(23,682,107)	(11,340,703)
Distributions to unitholders of redeemable units	(903,979)	(238,071)
Net cash provided by (used in) financing activities	7,956,401	45,298,075
Net gain (loss) foreign exchange on cash	140,807	21,417
Net increase (decrease) in cash	6,240,862	8,670,666
Cash at beginning of period	36,964,367	14,081,183
CASH AT END OF PERIOD	$ 43,346,036	22,773,266
Interest received(1)	1,734,519	1,384,107
Dividends received, net of withholding taxes(1)	1,799,049	1,225,622

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 55.0%			
CANADIAN EQUITIES – 34.2%			
Energy – 15.4%			
34,600	ARC Resources Ltd.	1,128,008	1,124,154
38,185	Baytex Energy Corporation	1,563,000	1,880,610
50,000	Canadian Natural Resources Ltd.	2,015,045	2,451,500
124,836	Crescent Point Energy Corp.	4,692,305	5,903,494
97,800	Enbridge Inc.	4,301,064	4,951,614
75,003	Gibson Energy Inc.	1,711,568	2,553,102
41,800	Inter Pipeline Ltd.	1,063,810	1,384,415
86,042	Pembina Pipeline Corporation	2,766,250	3,950,188
256,953	Pengrowth Energy Corp.	1,541,718	1,965,690
55,000	Suncor Energy, Inc.	2,162,291	2,502,500
83,233	TransCanada Corporation	3,776,281	4,239,055
22,091	Vermilion Energy, Inc.	1,255,211	1,640,257
		27,976,551	34,546,579
Materials – 0.3%			
154,799	Canexus Corp.	1,136,225	758,515
Consumer Discretionary – 0.1%			
6,400	Cineplex, Inc.	248,832	265,280
Financials – 11.5%			
30,900	Atrium Mortgage Investment Corporation	321,669	341,445
94,800	Bank of Nova Scotia, The	5,618,951	6,744,072
39,583	Calloway Real Estate Investment Trust	938,197	1,051,324
24,600	CI Financial Corporation	777,360	862,230
387,776	CT Real Estate Investment Trust	3,819,613	4,420,646
32,089	Dundee Real Estate Investment Trust	907,767	939,886
29,900	Great-West Lifeco Inc.	899,990	902,382
48,042	H&R Real Estate Investment Trust	1,009,851	1,112,653
49,472	Killam Properties Inc.	524,403	521,930
82,074	RioCan Real Estate Investment Trust	2,002,126	2,241,440
14,200	Royal Bank of Canada	978,623	1,083,176
104,000	Toronto-Dominion Bank, The	4,639,846	5,712,720
		22,438,396	25,933,904
Telecommunication Services – 2.3%			
43,800	BCE Inc.	1,898,292	2,119,920
22,000	Rogers Communications, Inc., Class B	952,160	944,680
50,500	TELUS Corporation	1,687,710	2,008,385
		4,538,162	5,072,985
Utilities – 4.6%			
99,040	Brookfield Infrastructure Partners LP	3,622,825	4,410,251
53,166	Brookfield Renew Energy Partners LP	1,440,202	1,676,856
60,000	Canadian Utilities Limited, Class A	2,082,000	2,400,000
177,926	Innergex Renewable Energy Inc	1,545,470	1,923,380
		8,690,497	10,410,487
	TOTAL CANADIAN EQUITIES	65,028,663	76,987,750
FOREIGN EQUITIES – 20.8%			
United States – 20.8%			
Materials – 2.8%			
486	Dow Chemical Company, The	25,776	26,674
40,600	LyondellBasell Industries NV, Class A	2,982,483	4,228,968
15,100	Praxair, Inc.	2,164,582	2,139,572
		5,172,841	6,395,214
Industrials – 5.1%			
38,557	Honeywell International Inc.	3,528,609	3,822,422
32,600	Union Pacific Corporation	2,606,216	3,469,232
29,500	United Parcel Service, Inc., Class B	2,855,673	3,230,919
8,300	United Technologies Corporation	1,064,850	1,022,159
		10,055,348	11,544,732

For equities, all common shares unless otherwise noted.

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

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Consumer Discretionary – 4.6%			
131,301	Comcast Corporation, Class A	5,301,971	7,519,404
2,519	Home Depot Inc., The	204,846	217,571
(120)	Home Depot Inc., The Written Put Options $78.00 Jul. 25, 2014	(14,067)	(4,161)
342	Starwood Hotels & Resorts Worldwide, Inc.	28,118	29,488
26,128	Walt Disney Company, The	2,301,739	2,389,970
		7,822,607	10,152,272
Consumer Staples – 0.5%			
8,600	Costco Wholesale Corporation	1,095,586	1,056,581
Health Care – 1.2%			
13,532	Johnson & Johnson	1,379,845	1,509,852
17,000	Medtronic, Inc.	1,110,593	1,156,651
		2,490,438	2,666,503
Financials – 4.7%			
38,000	Blackstone Group LP	1,229,016	1,355,666
23,300	JPMorgan Chase & Co.	1,468,027	1,431,424
(85)	JPMorgan Chase & Co. Written Call Options $57.00 Aug. 1, 2014	(10,391)	(11,154)
(89)	JPMorgan Chase & Co. Written Put Options $55.00 Aug. 1, 2014	(5,994)	(3,988)
29,400	Morgan Stanley	1,087,873	1,014,042
48,000	U.S. Bancorp	1,860,054	2,217,594
82,400	Wells Fargo & Company	3,596,917	4,619,144
		9,225,502	10,622,728
Information Technology – 0.5%			
(261)	Oracle Corporation Written Put Options $39.00 Jul. 25, 2014	(10,946)	(5,290)
5,200	Visa Inc.	1,222,190	1,168,938
(45)	Visa Inc. Written Put Options $205.00 Jul. 25, 2014	(12,956)	(9,026)
		1,198,288	1,154,622
Telecommunication Services – 1.5%			
63,400	Verizon Communications Inc.	3,191,690	3,307,847
	TOTAL FOREIGN EQUITIES	40,252,300	46,900,499
	TOTAL EQUITIES	105,280,963	123,888,249
BOND AND DEBENTURE INSTRUMENTS – 19.2%			
Corporate Bonds – 19.2%			
	Alliance Pipeline LP		
380,000	4.93% due Dec. 16, 2019	405,306	415,137
	AltaGas Income Trust		
550,000	5.49% due Mar. 27, 2017	600,597	600,602
410,000	4.60% due Jan. 15, 2018	435,020	442,198
139,000	4.55% due Jan. 17, 2019	149,356	150,928
	AltaGas Ltd.		
200,000	6.94% due Jun. 29, 2016	223,744	219,182
400,000	3.72% due Sep. 28, 2021	391,614	417,433
	Altria Group, Inc.		
458,000	9.25% due Aug. 6, 2019	621,426	648,595
700,000	2.85% due Aug. 9, 2022	645,047	721,694
	American Tower Corp.		
300,000	4.50% due Jan. 15, 2018	325,365	348,525
	American Tower Corporation		
500,000	3.40% due Feb. 15, 2019	571,733	559,581
77,000	5.90% due Nov. 1, 2021	95,887	94,462
	Anheuser-Busch Companies, Inc.		
417,000	3.38% due Jan. 25, 2023	403,660	424,431
	B.A.T. International Finance p.l.c.		
358,000	9.50% due Nov. 15, 2018	493,879	497,298

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Ball Corporation		
235,000	5.00% due Mar. 15, 2022	237,064	257,917
	Ball Corporation (callable)		
80,000	5.75% due May 15, 2021-(Nov. 15, 2015)	87,703	91,109
	Baytex Energy Corporation (callable)		
80,000	6.75% due Feb. 17, 2021-(2016)	86,097	88,776
162,000	6.63% due Jul. 19, 2022-(2017)	172,125	174,454
	bcIMC Realty Corporation		
210,000	3.51% due Jun. 29, 2022	204,114	217,792
	Bell Canada		
165,000	3.65% due May 19, 2016	170,206	170,806
524,000	4.40% due Mar. 16, 2018	548,016	565,045
200,000	3.35% due Jun. 18, 2019	196,862	207,604
300,000	4.95% due May 19, 2021	316,056	336,180
300,000	4.70% due Sep. 11, 2023	312,510	327,091
	Boston Properties LP		
228,000	4.13% due May 15, 2021	265,980	259,300
	Boston Properties LP (callable)		
422,000	5.63% due Nov. 15, 2020-(Aug. 15, 2020)	530,316	519,781
	Boston Properties, Inc.		
174,000	5.88% due Oct. 15, 2019	204,997	216,532
	Brookfield Asset Management Inc.		
561,000	3.95% due Apr. 9, 2019	563,557	589,669
455,000	5.30% due Mar. 1, 2021	490,012	508,549
572,000	4.54% due Mar. 31, 2023	564,715	603,994
150,000	5.04% due Mar. 8, 2024	150,702	162,122
650,000	4.82% due Jan. 28, 2026	649,708	677,089
	Brookfield Infrastructure Partners LP		
350,000	3.46% due Oct. 10, 2017	350,311	361,134
	Brookfield Renewable Power Inc.		
420,000	6.13% due Nov. 30, 2016	460,656	459,333
	BRP Finance ULC		
375,000	5.14% due Oct. 13, 2020	395,517	416,964
325,000	4.79% due Feb. 7, 2022	332,655	351,488
	Calloway Real Estate Investment Trust		
320,000	5.37% due Oct. 12, 2016	341,413	344,205
291,000	4.05% due Jul. 27, 2020	290,398	304,935
	Calloway REIT		
235,000	3.99% due May 30, 2023	220,540	235,914
	Canadian Natural Resources Limited		
200,000	3.05% due Jun. 19, 2019	198,500	205,184
	Canadian Oil Sands Ltd.		
490,000	7.75% due May 15, 2019	615,801	640,768
	Comcast Cable Communications Holdings, Inc.		
400,000	9.46% due Nov. 15, 2022	573,114	622,995
	Constellation Brands Inc.		
160,000	4.25% due May 1, 2023	151,473	171,800
	Denbury Resources Inc. (callable)		
124,000	4.63% due Jul. 15, 2023-(Jan. 15, 2018)	115,788	129,313
	Duke Energy Corporation		
411,000	8.75% due Aug. 3, 2018	511,688	510,683
	Emera Inc.		
383,000	4.83% due Dec. 2, 2019	409,634	421,101
	Enbridge Inc.		
200,000	4.53% due Mar. 9, 2020	211,189	220,251
200,000	3.19% due Dec. 5, 2022	186,221	200,646
	Enbridge Income Fund		
367,000	4.10% due Feb. 22, 2019	376,778	391,163
	Enbridge Income Fund Holdings Inc.		
500,000	3.94% due Jan. 13, 2023	479,662	519,123
	Enbridge Pipelines Inc.		
124,000	8.20% due Feb. 15, 2024	168,578	172,477

For equities, all common shares unless otherwise noted.

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

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	First Capital Realty Inc.		
500,000	5.85% due Jan. 31, 2017	549,125	546,579
307,000	4.95% due Nov. 30, 2018	327,797	335,497
440,000	5.48% due Jul. 30, 2019	474,848	494,119
399,000	5.60% due Apr. 30, 2020	431,158	453,016
471,000	4.50% due Mar. 1, 2021	477,314	506,373
797,000	4.43% due Jan. 31, 2022	786,298	849,383
546,000	3.95% due Dec. 5, 2022	514,172	556,231
	Fortis Inc. Subscription Receipts		
1,430,000	4.00% due Jan. 9, 2024	444,070	546,689
	Gibson Energy Inc.		
76,000	5.38% due Jul. 15, 2017	76,760	76,760
	Gibson Energy Inc. (callable)		
114,000	7.00% due Jul. 15, 2020-(2016)	120,156	124,118
	Greater Toronto Airports Authority		
130,000	4.85% due Jun. 1, 2017	140,906	141,388
	H&R Real Estate Investment Trust		
74,000	4.78% due Jul. 27, 2016	77,511	77,933
144,000	4.50% due Dec. 31, 2016	149,040	150,293
806,000	4.45% due Mar. 2, 2020	806,319	856,017
	Inter Pipeline Fund		
478,000	3.84% due Jul. 30, 2018	490,319	505,503
400,000	4.90% due Feb. 3, 2020	429,922	445,956
296,000	3.45% due Jul. 20, 2020	297,480	307,066
525,000	4.97% due Feb. 2, 2021	561,708	588,588
266,000	3.78% due May 30, 2022	265,043	276,660
	Linn Energy LLC/ Linn Energy Finance Corporation		
100,000	7.75% due Feb. 1, 2021-(Sep. 15, 2015)	104,500	115,687
391,000	6.25% due Nov. 1, 2019	423,707	439,038
	Lorillard Tobacco Company		
451,000	8.13% due Jun. 23, 2019	568,628	600,065
	MEG Energy Corp.		
266,000	6.50% due Mar. 15, 2021	282,097	301,518
	MEG Energy Corporation (callable)		
343,000	6.38% due Jan. 30, 2023-(Jul. 30, 2017)	392,554	388,800
	Pembina Pipeline Corporation		
203,000	4.89% due Mar. 29, 2021	216,149	226,537
721,000	3.77% due Oct. 24, 2022	696,539	747,295
	Pernod Ricard SA		
400,000	5.75% due Apr. 7, 2021	456,883	490,345
100,000	4.45% due Jan. 15, 2022	115,050	113,481
600,000	4.25% due Jul. 15, 2022	620,697	672,006
	Rogers Communications Inc.		
254,000	4.70% due Sep. 29, 2020	272,397	279,323
1,344,000	5.34% due Mar. 22, 2021	1,447,451	1,524,281
	Rogers Communications Inc. (callable)		
223,000	4.00% due Mar. 13, 2024-(Dec. 13, 2023)	222,344	227,951
	SABMiller PLC		
2,172,000	3.75% due Jan. 15, 2022	2,391,809	2,409,628
	Shaw Communications Inc.		
128,000	5.65% due Oct. 1, 2019	139,538	145,882
195,000	5.50% due Dec. 7, 2020	210,789	222,332
200,000	4.35% due Jan. 31, 2024	199,952	208,764
	Silgan Holdings Inc. (callable)		
155,000	5.50% due Feb. 1, 2022-(Aug. 1, 2017)	156,362	172,596
	Simon Property Group LP (callable)		
375,000	5.65% due Feb. 1, 2020 -(Nov. 1, 2019)	437,259	467,998
500,000	2.75% due Dec. 1, 2022-(Nov. 1, 2022)	461,811	516,099
	Simon Property Group, Inc.		
757,000	10.35% due Apr. 1, 2019	1,110,847	1,095,863
	Suncor Energy, Inc.		
480,000	5.80% due May 22, 2018	536,471	544,356
	TELUS Corporation		
321,000	5.05% due Dec. 4, 2019	349,600	359,542
932,000	5.05% due Jul. 23, 2020	1,019,531	1,047,682
	Union Gas Limited		
125,000	4.85% due Apr. 25, 2022	140,690	141,787
	Veresen Inc.		
132,000	3.95% due Mar. 14, 2017	137,871	138,038
	Vermilion Energy Inc. (callable)		
190,000	6.50% due Feb. 10, 2016-(2014)	197,125	196,476
	Videotron Ltd. (callable)		
44,000	9.13% due Apr. 15, 2018-(Feb. 10, 2014)	48,028	48,467
300,000	7.13% due Jan. 15, 2020-(2015)	322,846	323,513
113,000	5.38% due Jun. 15, 2024-(Mar. 15, 2024)	125,244	123,869
383,000	5.63% due Jun. 15, 2025-(Mar. 15, 2025)	362,893	388,809
	Videotron Ltee		
353,000	6.88% due Jul. 15, 2021	383,626	391,315
100,000	5.00% due Jul. 15, 2022	96,740	109,832
	WEA Finance LLC/ WT Finance Aust Pty. Ltd.		
483,000	6.75% due Sep. 2, 2019	590,375	624,266
	Westcoast Energy Inc.		
362,000	5.60% due Jan. 16, 2019	401,766	408,996
450,000	4.57% due Jul. 2, 2020	481,330	493,745
475,000	3.12% due Dec. 5, 2022	447,352	471,606
	TOTAL BOND AND DEBENTURE INSTRUMENTS	41,492,087	43,209,310
FIXED INCOME FUND – 2.4%			
1,479,419	Dynamic High Yield Bond Fund Series O	5,276,825	5,399,878
FOREIGN EQUITY FUND – 3.2%			
640,837	Dynamic Alternative Yield Fund Series O	6,650,425	7,094,066
	TOTAL INVESTMENT PORTFOLIO	158,700,300	179,591,503
	Currency Forward Contracts – 0.3%		614,407
	Futures Contracts – 0.1%		170,725
	Swap Contracts – 0.1%		304,086
	Accumulator Contracts – (0.0)%		(1,515)
	OTHER ASSETS, LESS LIABILITIES – 19.7%		43,926,175
	NET ASSETS – 100.0%		224,605,381

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(34)	U.S. 10 Year Treasury Note Futures – Sep. 2014	(4,557,763)	(4,540,342)	17,421
(18)	U.S. Treasury Long Bond Futures – Sep. 2014	(2,645,063)	(2,634,450)	10,614
(27)	Canada 10 Year Bond Futures – Sep. 2014	(3,639,870)	(3,671,460)	(31,590)
				(3,555)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A by Standard & Poor's.

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	4,640,277	U.S. Dollar	4,312,000	4,602,658	37,619
Jul. 17, 2014	Canadian Dollar	4,030,762	U.S. Dollar	3,700,000	3,949,405	81,357
Jul. 17, 2014	Canadian Dollar	2,506,310	U.S. Dollar	2,300,000	2,455,035	51,275
Jul. 17, 2014	Canadian Dollar	2,397,263	U.S. Dollar	2,200,000	2,348,295	48,968
Jul. 17, 2014	U.S. Dollar	800,000	Canadian Dollar	857,520	857,077	(3,598)
Aug. 14, 2014	Canadian Dollar	13,529,124	U.S. Dollar	12,432,000	13,279,781	249,343
Aug. 14, 2014	Canadian Dollar	4,645,598	U.S. Dollar	4,312,000	4,606,050	39,548
Aug. 14, 2014	Canadian Dollar	3,903,583	U.S. Dollar	3,621,000	3,867,929	35,654
Aug. 14, 2014	Canadian Dollar	2,503,164	U.S. Dollar	2,300,000	2,456,845	46,318
Aug. 14, 2014	Canadian Dollar	1,850,603	U.S. Dollar	1,700,000	1,815,929	34,674
Aug. 14, 2014	U.S. Dollar	600,000	Canadian Dollar	647,673	646,860	(6,751)
						614,407

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
2,200	Dec. 08, 2014	164,604	0.55%	8,074
1,700	Dec. 09, 2014	127,194	0.55%	6,239
2,300	Dec. 10, 2014	172,086	0.55%	8,442
900	Dec. 09, 2014	67,338	0.55%	3,303
8,500	Dec. 12, 2014	635,970	0.55%	31,197
4,300	Dec. 15, 2014	321,726	0.55%	15,782
1,200	Dec. 18, 2014	89,784	0.55%	4,404
4,300	Dec. 18, 2014	321,726	0.55%	15,782
2,800	May. 04, 2015	209,496	0.55%	10,276
200	May. 06, 2015	14,964	0.55%	734
2,900	May. 07, 2015	216,978	0.55%	10,644
500	May. 08, 2015	37,410	0.55%	1,835
800	May. 18, 2015	58,584	0.55%	4,281
1,900	May. 29, 2015	140,372	0.55%	8,877
900	Jun. 01, 2015	67,338	0.55%	3,303
1,000	Aug. 01, 2014	74,820	0.55%	3,670
1,000	Aug. 01, 2014	74,820	0.55%	3,670
3,927	Aug. 04, 2014	293,818	0.55%	14,413
2,973	Aug. 05, 2014	222,440	0.55%	10,912
700	Dec. 08, 2014	52,374	0.55%	2,569
500	Dec. 09, 2014	37,410	0.55%	1,835
600	Dec. 10, 2014	44,892	0.55%	2,202
300	Dec. 09, 2014	22,446	0.55%	1,101
2,300	Dec. 12, 2014	172,086	0.55%	8,442
1,200	Dec. 15, 2014	89,784	0.55%	4,404
100	May. 04, 2015	7,482	0.55%	367
100	May. 07, 2015	7,482	0.55%	367
100	May. 29, 2015	7,388	0.55%	467
100	Jun. 01, 2015	7,482	0.55%	367
100	Aug. 01, 2014	7,482	0.55%	367
100	Aug. 01, 2014	7,482	0.55%	367
228	Aug. 04, 2014	17,059	0.55%	837
172	Aug. 05, 2014	12,869	0.55%	631
8,100	Apr. 29, 2015	606,042	0.55%	29,730
4,700	Apr. 30, 2015	351,654	0.55%	17,250
2,300	May. 01, 2015	172,086	0.55%	8,442
1,200	May. 04, 2015	89,784	0.55%	4,404
Blackstone Group, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
21,600	Apr. 22, 2015	671,328	0.55%	54,099
				304,086

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
ACCUMULATOR CONTRACTS

Number of Units	Termination date	Currency	Notional Amount ($)	Strike Price ($)	Knock-Out Price ($)	Appreciation/ (Depreciation) ($)
The Walt Disney Company, Counterparty: Toronto-Dominion Bank, The						
4,935	Nov. 21, 2014	USD	384,655	77.94	86.00	$ 2,189
The Home Depot, Inc., Counterparty: Toronto-Dominion Bank, The						
4,888	Nov. 20, 2014	USD	366,111	74.90	81.92	3,100
The Dow Chemical Company, Counterparty: Toronto-Dominion Bank, The						
20,250	Dec. 22, 2014	USD	1,001,529	49.46	55.22	(7,549)
Starwood Hotels & Resorts Worldwide Inc., Counterparty: Toronto-Dominion Bank, The						
5,166	Dec. 23, 2014	USD	394,629	76.39	84.61	(941)
Oracle Corporation, Counterparty: Toronto-Dominion Bank, The						
12,573	Dec. 23, 2014	USD	488,358	38.84	42.75	(1,513)
The Home Depot, Inc., Counterparty: Goldman Sachs						
5,880	Nov. 21, 2014	USD	441,006	75.00	82.12	4,717
Starwood Hotels & Resorts Worldwide Inc., Counterparty: Merrill Lynch International						
6,448	Dec. 19, 2014	USD	494,922	76.76	84.94	(1,518)
						$(1,515)

The accumulator contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A- by Standard & Poor's.

Scotia Income Advantage Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide regular income and long term capital growth. It invests primarily in a diversified portfolio of fixed income and income-oriented equity securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$203,307,740	$109,753,910
Revaluation of Investments at FVTPL	121,440	151,025
Net assets attributable to holders of redeemable units	$203,429,180	$109,904,935

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$1,493,503
Revaluation of Investments at FVTPL	108,447
Increase (decrease) in net assets attributable to holders of redeemable units	$1,601,950

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ 371,979	$ 220,280	$ 416,761
1-3 years	3,373,415	2,116,359	2,786,942
3-5 years	9,727,525	6,290,976	3,535,008
5-10 years	28,670,493	25,974,878	20,007,907
> 10 years	1,065,898	988,141	1,264,695
Total	$43,209,310	$35,590,634	$28,011,313

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $615,251, or approximately 0.3% of total net assets attributable to holders of redeemable units (December 31, 2013 – $603,089, or approximately 0.3% of total net assets attributable to holders of redeemable units, January 1, 2013 – $442,409, or approximately 0.4% of the total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	25,130,287	11.2	2,513,029	1.1
Total	25,130,287	11.2	2,513,029	1.1

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	36,446,052	17.9	3,644,605	1.8
European Euro	2,085,012	1.0	208,501	0.1
Total	38,531,064	18.9	3,853,106	1.9

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	8,645,657	7.9	864,566	0.8
Total	8,645,657	7.9	864,566	0.8

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 58.7% (December 31, 2013 – 59.6%, January 1, 2013 – 51.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $12,988,842 (December 31, 2013 – $12,109,072, January 1, 2013 – $5,641,697). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	–	–	–	–	0.7	0.2
AA	0.5	0.1	0.6	0.1	0.8	0.2
A	32.6	6.3	31.6	5.5	28.8	7.3
BBB	57.4	11	58.8	10.4	60.8	15.4
BB	6.3	1.2	6.6	1.1	6.5	1.7
B	3.2	0.6	2.4	0.4	2.4	0.6
Total	100.0	19.2	100.0	17.5	100.0	25.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$680,237	$ –	$659,685	$ –	$ 62,456
Unrealized loss on accumulator contracts	–	11,521	–	–	–	–
Unrealized loss on currency forward contracts	–	10,349	–	127,670	–	66,894
Redeemable units	224,605,381	–	203,429,180	–	109,904,935	–
	$224,605,381	$702,107	$203,429,180	$787,355	$109,904,935	$129,350

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	34.2	34.9	42.6
Foreign Equities	20.8	22.1	8.8
Bond and Debenture Instruments	19.2	17.5	25.4
Fixed Income Funds	2.4	3.6	9.4
Foreign Equity Fund	3.2	3.3	–
Currency Forward Contracts	0.3	(0.1)	(0.1)
Swap Contracts	0.1	0.1	–
Futures Contracts	0.1	–	0.1
Accumulator Contracts	(0.0)	–	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$123,921,868	$ –	$ –	$123,921,868
Options (Written Put)	(22,465)	–	–	(22,465)
Mutual Funds	12,493,944	–	–	12,493,944
Bond and Debenture Instruments	–	43,209,310	–	43,209,310
Accumulator Contracts – Assets	–	10,006	–	10,006
Currency Forward Contracts – Assets	–	624,756	–	624,756
Swap Contracts–Assets	304,086	–	–	304,086
	136,697,433	43,844,072	–	180,541,505
Options (Written Call)	(11,154)	–	–	(11,154)
Currency Forward Contracts – Liabilities	–	(10,349)	–	(10,349)
Accumulator Contracts – Liabilities	–	(11,521)	–	(11,521)
Futures Contracts (Short)	(3,555)	–	–	(3,555)
	(14,709)	(21,870)	–	(36,579)
	$136,682,724	$43,822,202	$ –	$180,504,926

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$112,629,470	$ 3,467,137	$ –	$116,096,607
Options (Written Put)	(20,053)	–	–	(20,053)
Mutual Funds	14,035,113	–	–	14,035,113
Bond and Debenture Instruments	–	35,590,634	–	35,590,634
Currency Forward Contracts–Assets	–	10,412	–	10,412
Swap Contracts–Assets	212,000	–	–	212,000
	126,856,530	39,068,183	–	165,924,713
Currency Forward Contracts–Liabilities	–	(127,670)	–	(127,670)
	$126,856,530	$38,940,513	$ –	$165,797,043

Scotia Income Advantage Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$56,533,972	$ –	$ –	$56,533,972
Options (Written Put)	(27,648)	–	–	(27,648)
Mutual Funds	10,280,697	–	–	10,280,697
Bond and Debenture Instruments	–	28,011,313	–	28,011,313
	66,787,021	28,011,313	–	94,798,334
Currency Forward Contracts–Liabilities	–	(66,894)	–	(66,894)
Futures Contracts (Short)	24,166	–	–	24,166
	24,166	(66,894)	–	(42,728)
	$66,811,187	$27,944,419	$ –	$94,755,606

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,187,196,862	$2,154,638,730	$2,181,915,750
Commodities	–	10,894,807	35,471,771
Unrealized gain on currency forward contracts	2,957,003	–	–
Unrealized gain on swap contracts	3,320,557	7,026,014	–
Cash	60,538,527	53,580,409	82,718,346
Accrued investment income	2,441,836	2,117,608	2,451,841
Subscriptions receivable	1,318,802	2,378,373	2,333,658
	2,257,773,587	2,230,635,941	2,304,891,366
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,932,589	33,413	–
Distributions payable	3,383	3,034	301
Redemptions payable	1,989,445	1,331,438	1,298,647
Accrued expenses	3,897,967	–	–
Unrealized loss on currency forward contracts	–	3,164,792	1,891,349
	7,823,384	4,532,677	3,190,297
Net Assets attributable to holders of redeemable units	$2,249,950,203	$2,226,103,264	$2,301,701,069
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$2,249,849,540	$2,225,996,887	$2,301,630,415
Series F Units	$ 100,663	$ 106,377	$ 70,654
UNITS OUTSTANDING			
Series A Units	96,488,308	101,700,601	114,491,245
Series F Units	4,401	4,950	3,577
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 23.32	$ 21.89	$ 20.10
Series F Units	$ 22.87	$ 21.49	$ 19.75

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 14,520,561	$ 13,329,733
Interest for distribution purposes	14,570,224	17,100,174
Capital gains distributions received	(50,069)	447,725
Net realized gain (loss) on non-derivative financial assets	77,145,527	(38,529,617)
Net realized gain (loss) on futures contracts	–	698,055
Net realized gain (loss) on currency forwards	(7,598,546)	(9,601,109)
Net realized gain (loss) on swap contracts	9,465,816	9,065,335
Net gain (loss) foreign exchange	(720,838)	1,347,178
Change in unrealized appreciation (depreciation) of non-derivative financial assets	58,814,528	74,043,754
Change in unrealized appreciation (depreciation) of currency forwards	6,121,795	(4,215,489)
Change in unrealized appreciation (depreciation) of swap contracts	(3,705,457)	(1,797,281)
Net gain (loss) on investments	168,563,541	61,888,458
Securities lending	26,364	17,542
Other income	23,331	27,194
Total income (loss)	168,613,236	61,933,194
EXPENSES		
Management fees (note 5)	19,400,227	19,345,564
Harmonized Sales Tax/Goods and Services Tax	2,228,817	2,285,879
Audit fees	23,988	26,269
Independent Review Committee fees	3,304	3,886
Custodian fees	20,200	42,704
Filing fees	37,210	49,286
Legal fees	7,037	9,377
Unitholder reporting costs	104,181	100,739
Unitholder administration and service fees	708,510	797,680
Overdraft charges	700	615
Foreign withholding taxes/tax reclaims	531,694	428,148
Transaction costs	597,121	810,979
Total expenses	23,662,989	23,901,126
Absorbed expenses	(1,495)	(1,755)
Net expenses	23,661,494	23,899,371
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$144,951,742	$ 38,033,823
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$144,943,882	$ 38,032,527
Series F Units	$ 7,860	$ 1,296
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.47	$ 0.35
Series F Units	$ 1.55	$ 0.37
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	98,764,246	109,711,097
Series F Units	5,072	3,529

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$2,225,996,887	$2,301,630,415
Series F Units	106,377	70,654
	2,226,103,264	2,301,701,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	144,943,882	38,032,527
Series F Units	7,860	1,296
	144,951,742	38,033,823
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(3,583,472)	(7,397,644)
Series F Units	(475)	(480)
	(3,583,947)	(7,398,124)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	111,921,858	112,611,537
Series F Units	19,245	6,060
Reinvested distributions		
Series A Units	3,577,219	7,385,125
Series F Units	476	428
Payments on redemption		
Series A Units	(233,006,834)	(296,206,138)
Series F Units	(32,820)	(7,984)
	(117,520,856)	(176,210,972)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	23,852,653	(145,574,593)
Series F Units	(5,714)	(680)
	23,846,939	(145,575,273)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	2,249,849,540	2,156,055,822
Series F Units	100,663	69,974
	$2,249,950,203	$2,156,125,796

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 144,951,742	$ 38,033,822
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(77,145,527)	38,529,617
Net realized gain (loss) foreign exchange on cash	720,838	(1,347,178)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(58,814,528)	(74,043,753)
Change in unrealized appreciation (depreciation) of forward currency contracts	(6,121,795)	4,215,489
Change in unrealized appreciation (depreciation) of swap contracts	3,705,457	1,797,281
Purchases of non-derivative financial assets	(300,257,507)	(309,269,585)
Proceeds from sale of non-derivative financial assets	415,856,292	472,602,193
Transaction costs	597,121	807,004
Accrued investment income	(324,228)	(262,119)
Accrued expenses	3,897,967	3,432,570
Change in margin accounts for futures contracts	–	(573,315)
Net cash provided by (used in) operating activities	127,065,832	173,922,026
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	113,000,674	114,197,499
Amounts paid on redemption of redeemable units	(232,381,647)	(295,603,209)
Distributions to unitholders of redeemable units	(5,903)	(8,972)
Net cash provided by (used in) financing activities	(119,386,876)	(181,414,682)
Net gain (loss) foreign exchange on cash	(720,838)	1,347,178
Net increase (decrease) in cash	7,678,956	(7,492,656)
Cash at beginning of period	53,580,409	82,718,346
CASH AT END OF PERIOD	$ 60,538,527	$ 76,572,868
Interest received(1)	14,591,327	17,094,363
Dividends received, net of withholding taxes(1)	13,643,534	12,645,278

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying value ($)
EQUITIES – 63.2%			
CANADIAN EQUITIES – 41.4%			
Energy – 13.8%			
818,300	Cameco Corporation	20,013,438	17,127,019
2,206,900	Canadian Energy Services & Technology Corporation	34,851,297	73,754,598
992,000	Cenovus Energy Inc.	33,820,989	34,313,280
477,970	Enbridge Inc.	15,003,676	24,199,621
1,000,000	Paramount Resources Ltd.	31,129,520	59,550,000
514,900	Suncor Energy, Inc.	23,943,528	23,427,950
841,140	TransCanada Corporation	34,339,181	42,839,260
1,176,500	Trilogy Energy Corporation	33,476,164	34,353,800
		226,577,793	309,565,528
Industrials – 4.1%			
4,220,700	Air Canada, Class B	32,719,505	40,223,271
752,900	Canadian National Railway Company	29,878,076	52,251,260
		62,597,581	92,474,531
Consumer Discretionary – 5.4%			
710,380	Cineplex, Inc.	29,166,535	29,445,251
458,900	Dollarama Inc.	25,664,949	40,314,365
440,921	Magna International Inc.	26,885,241	50,644,186
		81,716,725	120,403,802
Consumer Staples – 1.4%			
665,100	Loblaw Companies Limited	31,708,928	31,672,062
Health Care – 1.4%			
226,100	Valeant Pharmaceuticals International, Inc.	25,734,171	30,509,934
Financials – 12.2%			
966,300	Bank of Nova Scotia, The	51,927,263	68,742,582
1,897,200	Manulife Financial Corporation	40,974,877	40,239,612
1,063,600	Royal Bank of Canada	51,910,628	81,131,408
1,549,800	Toronto-Dominion Bank, The	57,531,737	85,130,515
		202,344,505	275,244,117
Telecommunication Services – 3.1%			
885,900	Rogers Communications, Inc., Class B	37,843,099	38,040,546
801,900	TELUS Corporation	28,051,176	31,891,563
		65,894,275	69,932,109
	TOTAL CANADIAN EQUITIES	696,573,978	929,802,083
FOREIGN EQUITIES – 21.8%			
UNITED STATES EQUITIES – 20.3%			
Industrials – 3.2%			
473,800	Danaher Corporation	25,342,350	39,785,775
1,076,400	Hertz Global Holdings, Inc.	28,784,167	32,205,644
		54,126,517	71,991,419
Consumer Discretionary – 3.2%			
311,700	Starwood Hotels & Resorts Worldwide, Inc.	16,570,377	26,875,620
485,100	Walt Disney Company, The	24,757,683	44,372,879
		41,328,060	71,248,499
Consumer Staples – 3.0%			
601,900	Coca-Cola Company, The	23,440,443	27,184,838
514,400	Estee Lauder Companies Inc., The	31,910,900	40,752,922
		55,351,343	67,937,760
Financials – 4.4%			
811,800	American International Group, Inc.	41,239,123	47,269,981
1,009,900	Citigroup Inc.	40,485,983	50,746,037
		81,725,106	98,016,018
Information Technology – 6.5%			
34,000	Google Inc. Class A	22,251,357	21,207,651
54,300	Google Inc. Class C	12,130,152	33,325,905

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Units/ Ounces	Issuer	Average Cost ($)	Carrying value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
UNITED STATES EQUITIES (cont'd)			
Information Technology (cont'd)			
2,036,600	Microsoft Corporation	59,188,500	90,603,431
		93,570,009	145,136,987
	TOTAL UNITED STATES EQUITIES	326,101,035	454,330,683
United Kingdom – 1.5%			
24,781,502	Lloyds Banking Group PLC	30,156,199	33,619,079
	TOTAL FOREIGN EQUITIES	356,257,234	487,949,762
	TOTAL EQUITIES	1,378,932,247	1,417,751,845
FIXED INCOME FUND – 34.2%			
56,155,262	Scotia Canadian Income Fund Series I	771,506,393	769,445,017
	TOTAL INVESTMENT PORTFOLIO	2,150,438,640	2,187,196,862
	Currency Forward Contracts – 0.1%		2,957,003
	Swap Contracts – 0.1%		3,320,557
	OTHER ASSETS, LESS LIABILITIES – 2.4%		56,475,781
	NET ASSETS – 100.0%		2,249,950,203

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	British Pound	11,100,000	Canadian Dollar	20,231,282	20,227,002	38,087
Jul. 17, 2014	Canadian Dollar	23,954,267	British Pound	13,100,000	23,921,261	33,006
Jul. 17, 2014	Canadian Dollar	33,770,156	U.S. Dollar	30,999,000	33,088,541	681,614
Jul. 17, 2014	Canadian Dollar	12,620,500	U.S. Dollar	11,582,000	12,362,705	257,795
Aug. 14, 2014	Canadian Dollar	13,837,125	British Pound	7,500,000	13,700,632	136,493
Aug. 14, 2014	Canadian Dollar	65,299,920	U.S. Dollar	60,000,000	64,091,608	1,208,312
Aug. 14, 2014	Canadian Dollar	32,647,500	U.S. Dollar	30,000,000	32,045,804	601,696
						2,957,003

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Blackstone Group, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
95,860	Dec. 03, 2014	2,979,329	0.55%	240,088
929,300	Dec. 04, 2014	28,882,644	0.55%	2,327,496
300,640	Dec. 05, 2014	9,343,891	0.55%	752,973
				3,320,557

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Canadian Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a balance between earning income and obtaining capital growth over the long term. It invests primarily in a broad range of Canadian equity and fixed income securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$2,225,199,767	$2,299,599,334
Revaluation of Investments at FVTPL	903,497	2,101,735
Net assets attributable to holders of redeemable units	$2,226,103,264	$2,301,701,069

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$38,603,436
Revaluation of Investments at FVTPL	(569,613)
Increase (decrease) in net assets attributable to holders of redeemable units	$38,033,823

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds and swap contracts, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $14,136,125 or approximately 0.6% of total net assets attributable to holders of redeemable units (December 31, 2013 – $13,356,982 or approximately 0.6% net assets attributable to holders of redeemable units, January 1, 2013 – $16,778,455 or approximately 0.7% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	354,188,093	15.7	35,418,809	1.6
British Pound	16,818,098	0.7	1,681,810	0.1
Swiss Franc	1	0.0	–	0.0
Total	371,006,192	16.4	37,100,619	1.7

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	405,382,744	18.2	40,538,274	1.8
British Pound	37,212,570	1.7	3,721,257	0.2
Swiss Franc	5,468,413	0.2	546,841	0.0
Total	448,063,727	20.1	44,806,373	2.0

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	164,117,697	7.1	16,411,770	0.7
Swiss Franc	20,809,326	0.9	2,080,933	0.1
Total	184,927,023	8.0	18,492,702	0.8

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 65.0% (December 31, 2013 – 65.8%, January 1, 2013 – 54.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $146,227,827 (December 31, 2013 – $146,331,038, January 1, 2013 – $125,327,783). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$7,823,384	$ –	$1,367,885	$ –	$1,298,948
Unrealized loss on currency forward contracts	–	–	–	3,164,792	–	1,891,349
Redeemable units	2,249,950,203	–	2,226,103,264	–	2,301,701,069	–
	$2,249,950,203	$7,823,384	$2,226,103,264	$4,532,677	$2,301,701,069	$3,190,297

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	41.4	33.8	34.4
Foreign Equities	21.8	28.5	20.2
Fixed Income Funds	34.2	34.4	40.3
Commodities	–	0.5	1.5
Currency Forward Contracts	0.1	(0.1)	(0.1)
Swaps Contracts	0.1	0.3	–

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$1,384,132,766	$33,619,079	$ –	$1,417,751,845
Mutual Funds	769,445,017	–	–	769,445,017
Currency Forward Contracts–Assets	–	2,957,003	–	2,957,003
Swap Contracts–Assets	3,320,557	–	–	3,320,557
	$2,156,898,340	$36,576,082	$ –	$2,193,474,422

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$1,290,233,275	$98,364,867	$ –	$1,388,598,142
Mutual Funds	766,040,588	–	–	766,040,588
Commodities	10,894,807			10,894,807
Swap Contracts–Assets	7,026,014	–	–	7,026,014
	2,074,194,684	98,364,867	–	2,172,559,551
Currency Forward Contracts–Liabilities	–	(3,164,792)	–	(3,164,792)
	$2,074,194,684	$95,200,075	$ –	$2,169,394,759

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$1,234,558,067	$20,809,326	$ –	$1,255,367,393
Mutual Funds	926,548,358	–	–	926,548,358
Commodities	35,471,771	–	–	35,471,771
	2,196,578,196	20,809,326	–	2,217,387,522
Currency Forward Contracts–Liabilities	–	(1,891,349)	–	(1,891,349)
	$2,196,578,196	$18,917,977	$ –	$2,215,496,173

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Dividend Balanced Fund (Unaudited)
(formerly, Scotia Canadian Dividend Income Fund)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$285,823,285	$198,362,278	$ 93,695,089
Unrealized gain on currency forward contracts	278,429	–	–
Cash	41,601,043	19,434,850	7,661,829
Accrued investment income	498,598	446,521	272,904
Receivable for securities sold	–	454,893	–
Subscriptions receivable	923,883	797,122	392,038
	329,125,238	219,495,664	102,021,860
LIABILITIES			
Current liabilities			
Payable for securities purchased	5,539,148	–	–
Distributions payable	–	11	–
Redemptions payable	140,129	122,659	53,234
Accrued expenses	504,164	–	–
Unrealized loss on currency forward contracts	–	277,831	–
	6,183,441	400,501	53,234
Net Assets attributable to holders of redeemable units	$322,941,797	$219,095,163	$101,968,626
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$322,941,797	$219,095,163	$101,968,626
UNITS OUTSTANDING			
Series A Units	23,259,440	17,542,080	9,369,785
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.88	$ 12.49	$ 10.88

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,370,960	$ 1,571,515
Interest for distribution purposes	877,230	563,214
Capital gains distributions received	20,488	104,007
Net realized gain (loss) on non-derivative financial assets	18,360,915	7,755,963
Net realized gain (loss) on currency forwards	(879,801)	–
Net gain (loss) foreign exchange	264,819	223,824
Change in unrealized appreciation (depreciation) of non-derivative financial assets	10,707,294	(327,355)
Change in unrealized appreciation (depreciation) of currency forwards	556,260	–
Net gain (loss) on investments	32,278,165	9,891,168
Securities lending	12,700	7,184
Other income	4,726	3,688
Total income (loss)	32,295,591	9,902,040
EXPENSES		
Management fees (note 5)	2,227,563	1,053,581
Harmonized Sales Tax/Goods and Services Tax	241,248	117,608
Audit fees	2,894	1,529
Independent Review Committee fees	400	223
Custodian fees	2,984	2,565
Filing fees	10,372	7,865
Legal fees	865	552
Unitholder reporting costs	9,219	5,904
Unitholder administration and service fees	50,091	30,813
Overdraft charges	793	106
Foreign withholding taxes/tax reclaims	48,682	33,205
Transaction costs	294,294	269,810
Total expenses	2,889,405	1,523,761
Net expenses	2,889,405	1,523,761
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$29,406,186	$ 8,378,279
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$29,406,186	$ 8,378,279
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.42	$ 0.74
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	20,682,010	11,310,841

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Dividend Balanced Fund (Unaudited – Continued)
(formerly, Scotia Canadian Dividend Income Fund)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$219,095,163	$101,968,626
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	29,406,186	8,378,279
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(328,788)	(541,558)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	92,631,736	52,747,664
Reinvested distributions		
Series A Units	323,909	533,867
Payments on redemption		
Series A Units	(18,186,409)	(9,858,056)
	74,769,236	43,423,475
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	103,846,634	51,260,196
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$322,941,797	$153,228,822

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 29,406,186	$ 8,378,279
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(18,360,915)	(7,755,963)
Net realized gain (loss) foreign exchange on cash	(264,819)	(223,824)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(10,707,294)	327,355
Change in unrealized appreciation (depreciation) of forward currency contracts	(556,260)	–
Purchases of non-derivative financial assets	(184,738,476)	(136,672,922)
Proceeds from sale of non-derivative financial assets	132,045,425	91,208,496
Transaction costs	294,294	269,810
Accrued investment income	(52,077)	(180,747)
Accrued expenses	504,164	220,614
Net cash provided by (used in) operating activities	(52,429,772)	(44,428,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	92,504,975	52,790,691
Amounts paid on redemption of redeemable units	(18,168,939)	(9,823,537)
Distributions to unitholders of redeemable units	(4,890)	(60,088)
Net cash provided by (used in) financing activities	74,331,146	42,907,066
Net gain (loss) foreign exchange on cash	264,819	223,824
Net increase (decrease) in cash	21,901,374	(1,521,836)
Cash at beginning of period	19,434,850	7,661,829
CASH AT END OF PERIOD	$ 41,601,043	$ 6,363,817
Interest received(1)	864,730	564,272
Dividends received, net of withholding taxes(1)	2,282,701	1,356,505

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 88.5%			
CANADIAN EQUITIES – 57.1%			
Energy – 14.9%			
151,000	ARC Resources Ltd.	4,254,655	4,905,990
98,000	Canadian Energy Services & Technology Corporation	1,096,221	3,275,160
171,000	Canyon Services Group Inc	2,010,236	3,231,900
98,500	EnCana Corporation	1,844,603	2,490,080
168,100	Mullen Group Limited	4,648,215	5,164,032
42,400	Paramount Resources Ltd.	1,404,429	2,524,920
1,588,400	Perpetual Energy Inc.	2,584,240	3,510,364
107,200	Peyto Exploration & Development Corporation	2,835,412	4,321,232
173,600	Precision Drilling Corporation	1,723,026	2,623,096
209,000	Secure Energy Services Inc.	2,352,306	4,901,050
189,500	Trilogy Energy Corporation	4,940,502	5,533,400
301,300	Trinidad Drilling Ltd.	2,971,226	3,648,743
191,200	Western Energy Services Corp.	1,394,639	2,129,968
		34,059,710	48,259,935
Materials – 6.6%			
28,900	Agrium Inc.	2,814,645	2,824,975
637,388	Canexus Corp.	4,625,404	3,123,201
236,100	Canfor Corporation	5,550,714	5,515,296
104,700	Canfor Pulp Products, Inc.	1,075,555	1,319,220
102,200	Goldcorp, Inc.	2,858,473	3,043,516
123,200	Silver Wheaton Corporation	3,213,739	3,459,456
25,400	West Fraser Timber Co., Ltd.	1,285,584	1,313,434
186,500	Western Forest Products Inc.	369,270	415,895
		21,793,384	21,014,993
Industrials – 6.9%			
66,800	Black Diamond Group Ltd.	1,400,148	2,292,576
13,100	K-Bro Linen Inc.	498,791	511,031
117,500	Progressive Waste Solutions Ltd.	3,270,742	3,218,325
61,400	SNC-Lavalin Group Inc.	2,882,002	3,445,768
108,100	Stantec Inc.	6,414,766	7,143,251
222,600	TransForce, Inc.	5,093,890	5,469,282
		19,560,339	22,080,233
Consumer Discretionary – 7.4%			
424,500	Aimia Inc	7,179,918	7,929,660
148,200	Cineplex, Inc.	5,289,220	6,142,890
295,400	EnerCare Inc	2,724,920	3,600,926
211,600	RONA inc.	2,387,915	2,429,168
221,200	Whistler Blackcomb Holdings Inc.	3,324,670	3,924,088
		20,906,643	24,026,732
Consumer Staples – 4.5%			
111,700	Empire Company Limited, Class A	7,901,377	8,104,952
134,400	Loblaw Companies Limited	6,061,431	6,400,128
		13,962,808	14,505,080
Health Care – 4.9%			
77,700	Amica Mature Lifestyles Inc.	678,565	577,311
183,100	Catamaron Corporation	8,776,094	8,627,672
50,200	Valeant Pharmaceuticals International, Inc.	7,158,339	6,773,988
		16,612,998	15,978,971
Financials – 8.7%			
444,300	Canaccord Financial Inc.	2,545,024	5,460,447
54,500	CI Financial Corporation	1,722,200	1,910,225
195,000	Fiera Sceptre Inc.	2,162,268	2,496,000
95,800	FirstService Corporation	2,870,443	5,180,864
29,616	IGM Financial, Inc.	1,480,800	1,512,785
258,100	Manulife Financial Corporation	5,360,342	5,474,301
183,900	Power Financial Corporation	6,223,484	6,107,319
		22,364,561	28,141,941

For equities, all common shares unless otherwise noted.

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

Scotia Dividend Balanced Fund (Unaudited – Continued)
(formerly, Scotia Canadian Dividend Income Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Information Technology – 1.8%			
71,500	CGI Group Inc., Class A	2,584,010	2,704,130
34,702	MacDonald, Dettwiler and Associates Ltd.	2,584,119	3,023,585
		5,168,129	5,727,715
Telecommunication Services – 1.4%			
102,616	Rogers Communications, Inc., Class B	4,421,688	4,406,331
	TOTAL CANADIAN EQUITIES	158,850,260	184,141,931
UNITED STATES – 18.7%			
Materials – 1.0%			
276,600	MERCER INTERNATIONAL INC	2,219,252	3,098,449
Industrials – 5.0%			
53,800	Eaton Corporation	4,202,485	4,428,998
38,700	Ingersoll-Rand PLC	2,334,389	2,580,853
16,600	Rockwell Collins, Inc.	1,423,805	1,383,835
32,200	Ryder System, Inc.	2,031,195	3,026,114
65,262	Triumph Group, Inc.	4,778,744	4,861,195
		14,770,618	16,280,995
Consumer Discretionary – 6.0%			
55,400	Brunswick Corporation	2,543,743	2,490,027
58,700	GNC Holdings, Inc.	2,934,991	2,135,479
48,500	Manpower Inc.	4,007,622	4,389,029
82,400	Newell Rubbermaid Inc.	2,753,574	2,724,279
65,300	Norwegian Cruise Line Holdings Ltd.	2,318,768	2,208,388
23,300	PVH Corporation	3,081,300	2,898,393
43,041	Thor Industries, Inc.	2,574,896	2,610,681
		20,214,894	19,456,276

Number of Shares/ Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
UNITED STATES (cont'd)			
Health Care – 2.0%			
106,700	PerkinElmer, Inc.	4,145,884	5,331,927
7,600	Perrigo Company PLC	1,196,047	1,181,586
		5,341,931	6,513,513
Financials – 3.8%			
123,200	Cathay General Bancorp	3,381,187	3,359,498
15,900	Citigroup Inc.	863,449	798,952
63,900	JPMorgan Chase & Co.	3,965,801	3,925,664
142,900	KeyCorp.	2,115,126	2,184,647
38,800	Lazard Ltd.	1,334,117	2,134,261
		11,659,680	12,403,022
Information Technology – 0.9%			
48,300	Agilent Technologies, Inc.	3,089,269	2,959,041
	TOTAL UNITED STATES EQUITIES	57,295,644	60,711,296
	TOTAL EQUITIES	216,145,904	244,853,227
FIXED INCOME FUNDS – 12.7%			
2,281,861	Scotia Canadian Income Fund Series I	30,754,887	31,266,290
900,456	Scotia Private Canadian Corporate Bond Pool Series I	9,449,615	9,703,768
		40,204,502	40,970,058
	TOTAL INVESTMENT PORTFOLIO	256,350,406	285,823,285
	Currency Forward Contracts – 0.1%		278,429
	OTHER ASSETS, LESS LIABILITIES – 11.4%		36,840,083
	NET ASSETS – 100.0%		322,941,797

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	8,170,463	U.S. Dollar	7,500,000	8,005,551	164,912
Jul. 17, 2014	Canadian Dollar	5,557,292	U.S. Dollar	5,100,000	5,443,774	113,517
						278,429

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Dividend Balanced Fund (Unaudited – Continued)
(formerly, Scotia Canadian Dividend Income Fund)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve long-term capital growth and current income return. It invests, either directly or through investing in securities of other funds, primarily in equity securities of companies that pay dividends or that are expected to pay dividends, fixed income securities, and other securities that are expected to distribute income.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$218,849,155	$101,825,956
Revaluation of Investments at FVTPL	246,008	142,670
Net assets attributable to holders of redeemable units	$219,095,163	$101,968,626

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$8,227,572
Revaluation of Investments at FVTPL	150,707
Increase (decrease) in net assets attributable to holders of redeemable units	$8,378,279

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	55,044,516	17.0	5,504,452	1.7
Total	55,044,516	17.0	5,504,452	1.7

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	20,659,774	9.4	2,065,977	0.9
Total	20,659,774	9.4	2,065,977	0.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	13,263,569	13.0	1,326,357	1.3
Total	13,263,569	13.0	1,326,357	1.3

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 88.5% (December 31, 2013 – 75.8%, January 1, 2013 – 72.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $28,582,329 (December 31, 2013 – $16,592,847, January 1, 2013 – $7,330,777). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk (note 3)

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$6,183,441	$ –	$122,670	$ –	$53,234
Unrealized loss on currency forward contracts	–	–	–	277,831	–	–
Redeemable units	322,941,797	–	219,095,163	–	101,968,626	–
	$322,941,797	$6,183,441	$219,095,163	$400,501	$101,968,626	$53,234

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	14.9	19.7	16.0
Materials	6.6	5.1	6.4
Industrials	6.9	4.5	3.5
Consumer Discretionary	7.4	5.0	4.4
Consumer Staples	4.5	3.1	–
Health Care	4.9	4.9	3.5
Financials	8.7	12.7	18.1
Information Technologies	1.8	0.4	3.3
Telecommunication Services	1.4	1.1	3.8
Foreign Equities	18.7	19.3	13.0
Fixed Income Funds	12.7	14.7	19.9
Currency Forward Contracts	0.1	(0.1)	0.0

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$244,853,227	$ –	$ –	$244,853,227
Mutual Funds	40,970,058	–	–	40,970,058
Currency Forward Contracts–Assets	–	278,429	–	278,429
	$285,823,285	$ 278,429	$ –	$286,101,714

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$166,174,476	$ –	$ –	$166,174,476
Mutual Funds	32,187,802	–	–	32,187,802
	198,362,278	–	–	198,362,278
Currency Forward Contracts–Liabilities	–	(277,831)	–	(277,831)
	$198,362,278	$(277,831)	$ –	$198,084,447

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 73,450,443	$ –	$ –	$ 73,450,443
Mutual Funds	20,244,646	–	–	20,244,646
	$ 93,695,089	$ –	$ –	$ 93,695,089

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Balanced Opportunities Fund (Unaudited)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$793,707,805	$709,395,081	$587,044,309
Unrealized gain on currency spot contracts	683	–	8,082
Unrealized gain on currency forward contracts	263,167	91,099	4,222
Cash	2,744,631	3,436,055	913,605
Accrued investment income	1,926,884	1,693,672	2,157,990
Receivable for securities sold	6,324,591	576,708	2,311,061
Subscriptions receivable	1,101,242	1,111,487	677,601
Margin deposited on futures	532,103	62,419	131,741
	806,601,106	716,366,521	593,248,611
LIABILITIES			
Current liabilities			
Payable for securities purchased	6,538,661	373,946	849,963
Distributions payable	951	323	24
Redemptions payable	553,586	655,897	327,453
Accrued expenses	1,371,255	–	–
Payable for index futures and bond futures contracts	–	188,622	263,503
Unrealized loss on currency spot contracts	649	–	739
Unrealized loss on currency forward contracts	372	7,689	85,718
	8,465,474	1,226,477	1,527,400
Net Assets attributable to holders of redeemable units	$798,135,632	$715,140,044	$591,721,211
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$795,269,653	$712,200,891	$589,908,725
Advisor Series Units	$ 2,788,991	$ 2,922,653	$ 1,784,209
Series F Units	$ 76,988	$ 16,500	$ 28,277
UNITS OUTSTANDING			
Series A Units	37,785,754	36,231,919	32,915,045
Advisor Series Units	135,732	152,004	101,272
Series F Units	3,622	829	1,560
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 21.05	$ 19.66	$ 17.92
Advisor Series Units	$ 20.55	$ 19.23	$ 17.61
Series F Units	$ 21.26	$ 19.90	$ 18.13

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 6,478,219	$ 6,893,249
Interest for distribution purposes	3,159,292	2,839,585
Capital gains distributions received	(6,915)	32,216
Net realized gain (loss) on non-derivative financial assets	52,835,152	15,398,621
Net realized gain (loss) on futures contracts	(1,526,175)	2,544,511
Net realized gain (loss) on currency forwards	(20,796)	(305,351)
Net gain (loss) foreign exchange	(141,700)	35,085
Change in unrealized appreciation (depreciation) of non-derivative financial assets	182,295	(4,227,393)
Change in unrealized appreciation (depreciation) of currency spots	34	(4,670)
Change in unrealized appreciation (depreciation) of currency forwards	179,385	(143,149)
Net gain (loss) on investments	61,138,791	23,062,704
Securities lending	53,670	54,190
Other income	9,892	6,419
Total income (loss)	61,202,353	23,123,313
EXPENSES		
Management fees (note 5)	6,646,114	5,352,906
Harmonized Sales Tax/Goods and Services Tax	713,090	614,070
Audit fees	8,172	7,297
Independent Review Committee fees	1,129	1,074
Custodian fees	69,203	121,046
Filing fees	26,550	23,145
Legal fees	2,414	2,607
Unitholder reporting costs	34,146	27,431
Unitholder administration and service fees	213,239	206,170
Overdraft charges	3,766	1,904
Foreign withholding taxes/tax reclaims	435,399	330,488
Transaction costs	656,475	327,125
Total expenses	8,809,697	7,015,263
Absorbed expenses	(4,708)	(4,738)
Net expenses	8,804,989	7,010,525
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$52,397,364	$16,112,788
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$52,196,302	$16,066,375
Advisor Series Units	$ 195,854	$ 45,866
Series F Units	$ 5,208	$ 547
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.40	$ 0.48
Advisor Series Units	$ 1.36	$ 0.44
Series F Units	$ 1.70	$ 0.61
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	37,197,046	33,598,701
Advisor Series Units	144,206	104,264
Series F Units	3,072	893

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$712,200,891	$589,908,725
Advisor Series Units	2,922,653	1,784,209
Series F Units	16,500	28,277
	715,140,044	591,721,211
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	52,196,302	16,066,375
Advisor Series Units	195,854	45,866
Series F Units	5,208	547
	52,397,364	16,112,788
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(834,231)	(2,327,276)
Advisor Series Units	(2,670)	(9,704)
Series F Units	(417)	(99)
	(837,318)	(2,337,079)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	90,297,939	67,270,666
Advisor Series Units	278,912	429,926
Series F Units	55,480	315
Reinvested distributions		
Series A Units	831,885	2,321,302
Advisor Series Units	2,325	7,964
Series F Units	417	99
Payments on redemption		
Series A Units	(59,423,133)	(49,509,460)
Advisor Series Units	(608,083)	(273,410)
Series F Units	(200)	(12,908)
	31,435,542	20,234,494
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	83,068,762	33,821,607
Advisor Series Units	(133,662)	200,642
Series F Units	60,488	(12,046)
	82,995,588	34,010,203
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	795,269,653	623,730,332
Advisor Series Units	2,788,991	1,984,851
Series F Units	76,988	16,231
	$798,135,632	$625,731,414

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 52,397,364	$ 16,112,788
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(52,835,152)	(15,398,621)
Net realized gain (loss) foreign exchange on cash	141,700	(35,085)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(182,295)	4,227,394
Change in unrealized appreciation (depreciation) of forward currency contracts	(179,385)	143,149
Change in unrealized appreciation (depreciation) of currency spot contracts	(34)	4,670
Purchases of non-derivative financial assets	(766,014,710)	(460,930,376)
Proceeds from sale of non-derivative financial assets	734,102,546	437,212,908
Transaction costs	656,475	327,125
Accrued investment income	(233,212)	(83,422)
Accrued expenses	1,371,255	1,000,804
Change in margin accounts for futures contracts	(281,062)	316,622
Net cash provided by (used in) operating activities	(31,056,510)	(17,102,044)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	90,642,576	67,963,330
Amounts paid on redemption of redeemable units	(60,133,727)	(49,690,998)
Distributions to unitholders of redeemable units	(2,063)	(3,536)
Net cash provided by (used in) financing activities	30,506,786	18,268,796
Net gain (loss) foreign exchange on cash	(141,700)	35,085
Net increase (decrease) in cash	(549,724)	1,166,753
Cash at beginning of period	3,436,055	913,605
CASH AT END OF PERIOD	$ 2,744,631	$ 2,115,443
Interest received(1)	3,162,695	2,765,451
Dividends received, net of withholding taxes(1)	5,802,505	6,553,472

(1) Classified as operating items.

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

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 74.2%			
CANADIAN EQUITIES – 38.3%			
Energy – 9.8%			
14,700	Advantage Oil & Gas Ltd.	110,269	105,399
247,600	Bankers Petroleum Ltd.	1,580,887	1,688,632
4,900	Bellatrix Exploration Ltd.	46,859	45,374
1,800	Birchcliff Energy Ltd.	25,552	25,380
20,900	Cameco Corporation	405,633	437,437
22,100	Canacol Energy Limited	164,533	153,595
227,380	Canadian Natural Resources Ltd.	8,208,001	11,148,441
142,954	Canelson Drilling Inc.	831,064	1,167,934
82,221	Cardinal Energy Ltd.	1,035,385	1,479,978
182,000	Cenovus Energy Inc.	5,672,600	6,295,378
58,800	Crescent Point Energy Corp.	2,371,823	2,780,652
32,700	Crew Energy Inc.	379,711	361,335
58,600	DeeThree Exploration Ltd.	503,536	668,040
51,700	Delphi Energy Corp.	215,040	224,895
57,000	Enbridge Inc.	2,270,513	2,885,910
70,100	EnCana Corporation	1,752,556	1,772,128
21,540	Enerplus Corp.	533,107	579,211
32,600	Gibson Energy Inc.	852,393	1,109,704
40,674	Kelt Exploration Ltd.	347,516	619,465
5,500	Keyera Corp.	405,625	432,355
127,220	Legacy Oil & Gas Inc.	908,900	1,203,501
2,300	Lightstream Resources Ltd.	19,249	18,768
82,200	Macro Enterprises Inc	318,716	401,958
31,300	MEG Engery Corporation	1,030,662	1,217,257
1,900	Mullen Group Limited	56,250	58,368
90,000	North American Energy Partners Inc.	771,141	773,100
1,000	Painted Pony Petroleum Ltd	12,394	13,650
3,600,000	PanTerra Resource Corporation Subscription Receipts*	936,000	936,000
700,000	Panterra Resources Corp – Restricted*	52,500	278,339
11,600	Paramount Resources Ltd.	695,999	690,780
164,400	Parex Resources Inc.	1,671,796	2,063,220
12,025	Parkland Fuel Corporation	250,374	247,234
10,000	Penn West Petroleum Ltd.	108,291	104,200
11,606	Peyto Exploration & Development Corporation	312,473	467,838
17,100	PrairieSky Royalty Ltd.	488,070	663,480
119,600	Precision Drilling Corporation	1,131,291	1,807,156
209,300	Raging River Exploration Inc.	691,920	2,270,905
117,300	RMP Energy Inc.	888,249	1,107,312
1,700	Rock Energy Inc.	11,598	10,642
26,217	Secure Energy Services Inc.	363,525	614,789
27,635	ShawCor Ltd.	1,440,636	1,639,861
55,238	Spartan Energy Corp.	143,204	223,162
110,808	Storm Resources Ltd.	267,239	585,066
272,736	Suncor Energy, Inc.	9,207,946	12,409,485
285,500	Talisman Energy Inc.	3,972,710	3,220,440
82,925	Tourmaline Oil Corp.	3,619,393	4,665,361
25,050	Trican Well Service Ltd.	346,491	431,612
43,425	Trilogy Energy Corporation	1,209,182	1,268,010
112,424	Trinidad Drilling Ltd.	1,293,709	1,361,455
256,900	Valeura Energy Inc. Warrants $0.55 Feb. 28, 2016*	–	1,348
162,400	Valeura Energy, Inc.	107,432	89,320
7,700	Vermilion Energy, Inc.	384,473	571,725
13,500	Western Energy Services Corp.	142,879	150,390
155,420	Whitecap Resources, Inc.	1,837,158	2,559,767
		62,404,453	78,106,742
Materials – 5.3%			
57,600	Agrium Inc.	4,828,577	5,630,400
87,800	Alamos Gold Inc.	1,140,878	947,362
346,000	B2Gold Corporation	1,035,880	1,076,060
132,700	Barrick Gold Corporation	4,904,265	2,592,958
26,071	Canam Group Inc., Class A	255,484	349,351
15,700	Canfor Corporation	332,052	366,752

Number of Shares / Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Materials (cont'd)			
485,700	Capstone Mining Corp.	1,263,281	1,248,249
10,700	CCL Industries Inc., Class B	615,148	1,099,425
82,100	First Majestic Silver Corp.	1,098,576	946,613
88,000	First Quantum Minerals Ltd.	1,642,605	2,008,160
65,546	Franco-Nevada Corporation	3,370,059	4,014,693
73,030	Goldcorp, Inc.	2,584,766	2,174,833
4,600	HudBay Minerals, Inc.	45,070	45,402
154,800	Interfor Corporation	1,805,109	2,301,876
41,500	Intertape Polymer Group Inc.	516,588	491,360
119,400	Ivanhoe Mines Ltd. Class A	179,100	162,384
124,300	Ivanhoe Mines Ltd. Warrants Dec. 10, 2015 $7.95 Dec. 10,2015	–	24,860
11,800	KP Tissue Inc.	217,440	186,558
4,613	Labrador Iron Ore Royalty Corp	145,131	141,527
429,400	Lundin Mining Corporation	2,127,807	2,520,578
59,000	Major Drilling Group International Inc.	480,198	458,430
15,426	Methanex Corporation	941,756	1,017,653
44,000	Potash Corporation of Saskatchewan Inc.	1,858,615	1,785,520
68,700	Primero Mining Corp	433,840	587,385
132,900	SEMAFO Inc.	643,829	665,829
401,120	Sherritt International Corporation	2,383,003	1,732,838
64,500	Tahoe Resources Inc.	1,281,453	1,802,130
102,000	Teck Resources Ltd., Class B	3,418,124	2,484,720
31,866	West Fraser Timber Co., Ltd.	1,282,698	1,647,791
5,500	Winpak Ltd.	113,834	139,700
195,680	Yamana Gold Inc.	1,955,836	1,718,070
		42,901,002	42,369,467
Industrials – 3.2%			
70,800	Aecon Group Inc.	956,610	1,200,060
220,800	Air Canada, Class B	1,696,638	2,104,224
97,600	ATS Automation Tooling Systems Inc.	1,098,570	1,523,536
25,300	Bird Construction, Inc.	317,652	339,273
390,200	Bombardier Inc., Class B	1,610,769	1,471,054
93,800	CAE, Inc.	1,314,340	1,309,448
65,200	Canadian National Railway Company	2,643,419	4,524,880
25,285	Canadian Pacific Railway Limited	4,063,308	4,887,843
50,748	Dirtt Environmental Solutions Ltd.	151,815	179,648
124,600	ENTREC Corporation	193,464	183,162
37,000	Finning International Inc.	1,073,895	1,104,080
19,452	Heroux-Devtek Inc.	154,537	218,057
20,000	Lumenpulse Inc.	356,067	458,600
32,600	Polaris Minerals Corporation	83,494	88,020
20,699	Progressive Waste Solutions Ltd.	472,175	566,946
37,068	Russel Metals Inc.	1,029,102	1,271,803
4,357	Stantec Inc.	199,512	287,911
32,200	Vicwest Inc.	353,465	350,980
40,600	WesternOne Inc.	312,311	322,364
76,300	WestJet Airlines Ltd.	1,807,541	1,999,060
32,300	WSP Global Inc.	1,052,257	1,220,617
		20,940,941	25,611,566
Consumer Discretionary – 4.1%			
44,500	Amaya Gaming Group Inc. Subscription Receipts Restricted*	890,000	890,000
26,800	Amaya Gaming Group, Inc.	469,000	619,348
12,900	AutoCanada Inc.	514,478	1,019,487
17,404	Boyd Group Income Fund	399,986	760,903
99,500	Brookfield Residential Properties Inc.	2,018,976	2,218,850
25,588	BRP Inc.	695,537	672,964
2,900	Canadian Tire Corporation, Limited, Class A	197,800	296,873
7,800	Cogeco Cable Inc.	402,715	460,902
20,300	Dollarama Inc.	1,586,601	1,783,355
11,700	Entertainment One Ltd	69,037	66,127
82,700	Gildan Activewear Inc.	3,535,623	5,199,349

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
18,700	Great Canadian Gaming Corporation	258,685	319,209
54,900	Harwoods Distribution Inc.	455,184	617,625
66,860	Hudson's Bay Company	1,131,001	1,130,603
25,000	IMAX Corporation	633,478	757,250
39,777	Linamar Corporation	1,465,229	2,503,962
79,900	Magna International Inc.	6,548,372	9,177,314
90,431	Martinrea International Inc.	853,781	1,146,665
34,900	RONA inc.	453,550	400,652
37,100	Shaw Communications, Inc., Class B	978,067	1,015,056
61,893	SunOpta Inc.	532,230	930,252
11,600	Thomson Reuters Corporation	416,149	450,660
		24,505,479	32,437,406
Consumer Staples – 0.7%			
97,600	Alimentation Couche-Tard Inc., Class B	1,833,082	2,852,848
16,975	George Weston Limited	1,430,582	1,336,102
77,360	Maple Leaf Foods Inc.	978,416	1,536,370
		4,242,080	5,725,320
Health Care – 0.8%			
51,100	Catamaron Corporation	2,516,415	2,407,832
62,100	Knight Therapeutics Inc.	268,391	335,340
82,000	Merus Labs International Inc.	139,400	192,700
23,800	Valeant Pharmaceuticals International, Inc.	2,108,261	3,211,572
		5,032,467	6,147,444
Financials – 11.5%			
17,474	Altus Group Ltd.	184,503	400,854
15,800	Artis Real Estate Investment Trust	252,796	248,850
254,100	Bank of Nova Scotia, The	13,764,038	18,076,674
7,800	Boardwalk Real Estate Investment Trust	472,777	509,028
28,650	Brookfield Property Partners LP	606,146	638,609
48,900	Callidus Capital Corporation	725,341	875,310
64,300	Canaccord Financial Inc.	741,449	790,247
65,490	Canadian Imperial Bank of Commerce	4,871,955	6,359,079
26,800	Canadian Western Bank	833,547	1,069,052
41,700	CI Financial Corporation	1,353,152	1,461,585
12,800	Davis + Henderson Income Corporation	303,594	397,440
531	E-L Financial Corporation Limited	259,266	372,231
194,590	Element Financial Corp.	2,203,220	2,623,073
36,000	Element Financial Corp. Subscription Receipts	459,000	482,760
10,600	Fiera Sceptre Inc.	147,049	135,680
29,700	FirstService Corporation	1,245,756	1,606,176
3500	Genworth MI Canada Inc.	137,339	133,035
38,462	Gluskin Sheff + Associates Inc.	807,452	1,224,630
300	Great-West Lifeco Inc.	9,226	9,054
40,700	Guardian Capital Group Ltd., Class A	394,390	674,196
3,700	IGM Financial, Inc.	189,713	188,996
37,500	Industrial Alliance Insurance and Financial Services Inc.	1,476,886	1,753,500
13,452	Intact Financial Corporation	826,226	989,798
489,890	Manulife Financial Corporation	9,101,183	10,390,567
16,700	Milestone Apartments Real Estate Investment Trust	176,807	179,859
38,200	National Bank of Canada	1,488,090	1,728,932
6,300	Onex Corporation	328,465	415,926
500	Power Financial Corporation	16,296	16,605
245,150	Royal Bank of Canada	14,294,217	18,700,042
47,300	Sun Life Financial Inc.	1,611,646	1,855,106
14,445	TMX Group Inc.	728,299	850,088
284,060	Toronto-Dominion Bank, The	10,552,933	15,603,416
110,500	Tricon Capital Group Inc	714,688	869,635
		71,277,445	91,630,033

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Information Technology – 1.2%			
103,200	5N Plus Inc.	475,068	421,056
50,720	Avigilon Corporation	932,984	1,206,629
16,900	Celestica Inc.	148,426	226,798
65,800	CGI Group Inc., Class A	1,983,251	2,488,556
6,381	Computer Modelling Group Ltd.	130,104	189,005
3,400	Constellation Software Inc.	515,107	924,664
46,200	Descartes Systems Group Inc., The	655,580	706,398
7,500	Enghouse Systems Limited	163,769	267,675
38,200	Halogen Software Inc.	480,998	306,746
10,900	MacDonald, Dettwiler and Associates Ltd.	844,655	949,717
16,900	Mitel Networks Corp.	166,794	190,125
20,048	Open Text Corporation	685,993	1,026,458
129,910	Sandvine Corporation	279,187	467,676
27,700	Sylogist Ltd.	245,391	255,394
		7,707,307	9,626,897
Telecommunication Services – 1.1%			
9,241	BCE Inc.	355,854	447,264
55,500	Canadian Satellite Radio Holdings Inc.	387,692	388,500
49,000	Rogers Communications, Inc., Class B	1,806,340	2,104,060
140,500	TELUS Corporation	3,929,723	5,587,685
		6,479,609	8,527,509
Utilities – 0.5%			
31,300	Boralex Inc.	388,980	424,115
21,400	Brookfield Infrastructure Partners LP	651,627	952,942
15,607	Brookfield Renew Energy Partners LP	448,967	492,245
66,700	Capital Power Corporation	1,495,467	1,758,879
15,831	Pattern Energy Group Inc.	435,097	560,101
		3,420,138	4,188,282
Income Trust Units – 0.1%			
30,311	Chemtrade Logistics Income Fund	602,158	636,531
	TOTAL CANADIAN EQUITIES	249,513,079	305,007,197
FOREIGN EQUITIES – 35.9%			
United States – 17.7%			
Energy – 0.8%			
2,300	Abraxas Petroleum Corporation	13,398	15,360
13,000	Callon Petroleum Company	149,818	161,574
59,600	Exxon Mobil Corporation	5,526,487	6,398,159
2,600	Penn Virginia Corporation	46,509	47,016
2,300	Swift Energy Company	30,590	31,850
1,900	Valero Energy Corporation	106,241	101,553
		5,873,043	6,755,512
Materials – 0.1%			
20,800	Newmont Mining Corporation	529,158	564,525
Industrials – 1.5%			
7,300	Boeing Company, The	1,038,887	989,348
46,100	Delta Air Lines, Inc.	1,311,521	1,904,316
10,300	Exelis Inc.	179,660	186,585
40,100	General Electric Company	1,141,950	1,124,275
600	L-3 Communications Holdings, Inc.	57,090	77,284
8,700	Lockheed Martin Corporation	1,213,423	1,491,411
10,100	Northrop Grumman Corporation	904,395	1,289,034
20,900	Raytheon Company	1,496,204	2,056,911
30,013	Republic Airways Holdings Inc.	238,442	347,090
22,200	Union Pacific Corporation	1,915,032	2,362,483
3,100	United Parcel Service, Inc., Class B	328,822	339,520
		9,825,426	12,168,257

For equities, all common shares unless otherwise noted.
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Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Consumer Discretionary – 1.3%			
400	Apollo Group, Inc.	11,474	13,336
92,200	Comcast Corporation, Class A	5,071,158	5,280,150
16,000	CTC Media Inc.	190,909	187,936
23,500	ITT Educational Services	961,026	418,434
24,400	McDonald's Corporation	2,700,373	2,622,374
600	Netflix Inc.	277,934	282,032
1,100	priceline.com Incorporated	1,481,400	1,411,761
2,400	TJX Companies, Inc., The	162,746	136,087
		10,857,020	10,352,110
Consumer Staples – 3.2%			
500	Campbell Soup Company	24,066	24,436
100,800	Coca-Cola Company, The	4,077,859	4,552,636
17,500	Colgate-Palmolive Company	1,267,251	1,272,444
1,200	Costco Wholesale Corporation	148,105	147,430
17,300	CVS Caremark Corporation	1,075,346	1,390,604
11,500	Kimberly-Clark Corporation	1,388,605	1,364,286
7,500	Kroger Co., The	310,959	395,387
1,300	Mondelez International, Inc.	40,029	52,161
200	Omega Protein Corporation	2,912	2,915
36,400	PepsiCo, Inc.	3,221,851	3,468,784
4,600	Pilgrim's Pride Corporation	87,515	134,269
72,900	Procter & Gamble Company, The	6,254,864	6,110,257
169,100	Rite Aid Corporation	1,048,484	1,293,498
1,800	Safeway Inc.	75,061	65,915
3,700	Walgreen Company	264,468	292,518
67,100	Wal-Mart Stores, Inc.	5,241,295	5,371,422
		24,528,670	25,938,962
Health Care – 3.7%			
8,700	Abbott Laboratories	366,268	379,478
500	AbbVie Inc.	28,920	30,090
4,500	Actavis Inc.	911,902	1,065,614
9,200	Amedisys, Inc.	167,018	164,303
16,000	Amgen Inc.	1,981,213	2,020,526
900	Biogen Idec Inc.	300,380	302,749
5,000	Boston Scientific Corporation	32,537	68,118
8,500	Bristol-Myers Squibb Company	452,787	439,899
2,200	CIGNA Corporation	171,354	215,860
300	Covidien PLC	23,275	28,879
16,100	Express Scripts, Inc.	1,199,651	1,190,830
14,500	Gentiva Health Services, Inc.	127,733	232,968
43,300	Gilead Sciences, Inc.	3,723,473	3,829,990
400	Humana Inc.	51,073	54,493
100	Jazz Pharmaceuticals, Inc.	15,910	15,681
29,900	Johnson & Johnson	3,284,731	3,336,134
700	McKesson Corporation	135,486	139,061
24,500	Medtronic, Inc.	1,588,498	1,666,938
51,700	Merck & Co., Inc.	2,604,467	3,190,779
188,900	Pfizer Inc.	5,405,339	5,981,343
4,800	PharMerica Corporation	98,079	146,406
2,700	Thermo Fisher Scientific, Inc.	347,131	339,898
24,100	UnitedHealth Group Incorporated	2,023,839	2,101,493
4,500	Vertex Pharmaceuticals Incorporated	393,049	454,542
18,200	WellPoint Inc.	1,567,978	2,089,134
		27,002,091	29,485,206
Financials – 1.8%			
13,200	American Express Company	1,054,172	1,335,786
2,300	BB&T Corporation	101,791	96,751
8,600	Berkshire Hathaway Inc., Class B	845,254	1,161,175

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Financials (cont'd)			
800	Capital One Financial Corporation	58,340	70,497
1700	Goldman Sachs Group, Inc., The	271,775	303,785
77,500	JPMorgan Chase & Co.	4,879,705	4,761,173
9,300	Marsh & McLennan Companies, Inc.	459,281	514,142
2,100	McGraw-Hill Companies, Inc., The	184,171	186,019
14,100	PNC Financial Services Group, Inc., The	1,245,843	1,339,541
281	Prudential plc	10,512	13,745
15,000	Travelers Companies, Inc., The	1,273,194	1,504,977
58,400	Wells Fargo & Company	2,389,812	3,273,762
		12,773,850	14,561,353
Information Technology – 4.7%			
2,100	Agilent Technologies, Inc.	131,939	128,654
46,200	Apple Inc.	3,850,220	4,580,372
600	Cirrus Logic, Inc.	14,506	14,556
18,600	Computer Sciences Corporation	814,594	1,254,102
25,700	EarthLink, Inc.	152,992	101,995
43,900	eBay Inc.	2,452,983	2,344,543
8,100	Facebook Inc.	509,159	581,485
700	Global Cash Access Holdings, Inc.	6,112	6,646
9,100	Google Inc. Class C	5,241,460	5,585,004
30,000	GT Advanced Technologies Inc.	494,991	595,302
82,500	Hewlett-Packard Company	1,844,055	2,964,346
30,500	International Business Machines Corporation	6,422,386	5,897,022
45,300	Micron Technology, Inc.	1,087,663	1,592,416
162,700	Microsoft Corporation	6,412,764	7,238,131
37,600	Monster Worldwide, Inc.	202,082	262,342
52,800	Nam Tai Property Inc.	425,450	424,725
63,700	Net 1 UEPS Technologies, Inc.	723,623	773,365
81,800	Oracle Corporation	3,675,815	3,536,981
700	Western Digital Corporation	47,591	68,929
		34,510,385	37,950,916
Telecommunication Services – 0.6%			
80,500	AT&T Inc.	3,089,444	3,036,764
400	CenturyLink Inc.	13,000	15,442
96,600	Inteliquent, Inc.	910,170	1,429,409
2,900	USA Mobility, Inc.	38,401	47,645
1	Verizon Communications Inc.	4,851	52
		4,055,866	4,529,312
	TOTAL UNITED STATES EQUITIES	129,955,509	142,306,153
Australia – 0.3%			
255,100	Ausdrill Limited	244,555	219,368
106,300	Australian Worldwide Exploration Limited	191,881	192,429
190,000	Beach Energy Limited	330,145	321,406
7,700	Challenger Financial Services Group Limited	55,316	57,609
14,400	Drillsearch Energy Ltd.	23,649	21,164
104,900	Emeco Holdings Ltd.	27,773	21,096
202,900	NRW Holdings Limited	228,725	187,878
135,400	Qantas Airways Limited	187,246	171,762
85,600	Roc Oil Company Limited	40,984	51,662
283,000	Telstra Corporation Limited	1,482,655	1,483,936
5,000	TPG Telecom Ltd.	29,818	27,731
		2,842,747	2,756,041
Austria – 0.5%			
28,600	Flughafen Wien AG	2,633,948	2,841,176
42,300	Zumtobel AG	1,123,888	1,053,539
		3,757,836	3,894,715

For equities, all common shares unless otherwise noted.
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Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Belgium – 0.8%			
900	Arseus NV	54,752	54,906
23,300	Belgacom SA	804,443	824,155
25,300	bpost SA	667,531	681,543
85,991	Euronav SA	1,184,367	1,121,520
21,500	Exmar NV	390,654	371,742
200	Ion Beam Applications	3,330	3,366
55,800	KBC Groep SA NV	3,130,275	3,235,056
8,500	Melexis NV	357,024	401,768
		6,592,376	6,694,056
Brazil – 0.7%			
26,700	BB Seguridade Participacoes S/A	349,609	418,168
90,300	Cielo SA	1,684,844	1,983,619
11,200	Companhia Energetica de Sao Paulo, Preference, Series B	143,033	150,322
90,000	Eletropaulo Metropolitana S.A.	412,686	467,100
153,000	HRT Participacoes em Petrole SA	61,932	87,902
3,000	Kepler Weber SA	52,752	59,383
12,400	Kroton Educacional SA	258,569	370,930
301,000	Tim Participacoes SA	1,529,130	1,877,535
		4,492,555	5,414,959
Chile – 0.0%			
1,406,300	Banco Santander Chile	100,181	98,899
Czech Republic – 0.1%			
40,600	Fortuna Entertainment Group NV	253,103	271,229
2,300	Komercni Banka AS	605,625	564,370
17,100	Telefonica Czech Republic	281,169	257,561
		1,139,897	1,093,160
Denmark – 0.6%			
23,500	Novo Nordisk A/S, Class B	1,157,811	1,157,267
1,200	Pandora AS	69,167	98,223
100	PER Aarsleff A/S, Class B	22,333	21,138
61,300	Vestas Wind Systems AS	2,059,307	3,302,534
		3,308,618	4,579,162
Egypt – 0.3%			
4,621,900	Orascom Telecom Media And Technology Holding SAE	400,557	834,450
685,100	Pioneers Holding	1,417,258	1,345,254
		1,817,815	2,179,704
Finland – 0.1%			
30,400	Elisa Communications Oyj	995,560	991,462
France – 1.5%			
2,400	Aeroports de Paris	329,726	337,227
17,500	Air France-KLM	290,440	234,759
15,500	Bouygues SA	768,488	689,210
217,300	Credit Agricole SA	3,771,306	3,269,724
56,000	Electricite de France SA	2,107,327	1,881,546
4,800	GDF Suez	148,423	140,795
5,100	Montupet S.A.	497,148	463,068
240,701	Natixis	1,563,062	1,644,292
24,000	Orange SA	433,375	403,504
9,400	SES Global SA FDR	367,106	380,203
17,900	Societe Generale	1,201,251	998,623
12,400	Valeo SA	1,588,733	1,773,967
		13,066,385	12,216,918
Germany – 0.2%			
1,000	Aareal Bank AG	51,986	49,180
600	Bayer AG	91,449	90,412
34,600	Nordex AG	596,705	820,283
15,600	Rhoen-Klinikum AG	564,538	549,685
1,500	Sixt SE	66,827	65,200
100	TUI AG	1,719	1,796
		1,373,224	1,576,556
Greece – 0.1%			
1,100	Hellenic Technodomiki Tev SA	6,484	6,623
3,300	Hellenic Telecommunication Organization SA	37,236	52,025
39,329	OPAP SA	495,898	747,189
		539,618	805,837
Hong Kong – 2.0%			
467	APT Satellite Holdings Ltd.	615	738
345,000	Asia Cement China Holdings Corporation	303,732	233,379
213,500	BBMG Corporation	194,291	147,088
208,000	Boer Power Holdings Ltd.	294,601	273,943
43,000	Brightoil Petroleum Holdings Limited	14,891	14,916
100,000	CT Environmental Group Limited	79,624	77,676
732,000	Dawnrays Pharmaceutical Holdings Ltd.	589,477	569,283
60,000	Emperor Entertainment Hotel Ltd.	33,530	23,954
400,000	Galaxy Entertainment Group Limited	3,355,999	3,413,488
232,000	HC International, Inc.	571,320	574,145
133,000	Jintian Pharmaceutical Group Limited	43,793	48,710
656,000	Lenovo Group Limited	853,384	956,365
217,200	Sands China Ltd.	1,797,323	1,750,386
9,000	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	34,956	35,801
172,000	Shenzhen Expressway Company Limited	92,520	97,603
276,000	Shunfeng Photovoltaic International Ltd.	364,253	384,363
589	Sinomedia Holding Ltd.	537	486
591,000	Sinotrans Limited	341,202	409,179
1,673,000	TCL Communication Technology Holdings Ltd	1,616,156	2,160,046
285,500	Tencent Holdings Limited	3,705,594	4,657,605
152,000	Welling Holding Ltd.	52,586	46,243
50,000	Wynn Macau, Limited	239,594	209,261
70,000	Xiamen International Port Company Ltd.	11,031	11,188
		14,591,009	16,095,846
Indonesia – 0.0%			
117,700	PT Bank Pembangunan Daerah Jawa Timur Tbk	4,312	4,317
279,000	PT Medco Energi Internasional Tbk	79,908	89,048
47,100	PT Sampoerna Agro Tbk	10,651	9,853
		94,871	103,218
Ireland – 0.0%			
481,100	Governor and Company of the Bank of Ireland, The	179,790	173,245
Israel – 0.4%			
34,500	Bank Hapoalim BM	219,019	212,637
411,000	Bezeq Israeli Telecommunication Corporation Ltd.	808,346	821,089
2,600	Elbit Systems Ltd.	181,831	170,692
34,100	Teva Pharmaceutical Industries Ltd.	1,867,844	1,908,479
		3,077,040	3,112,897
Italy – 0.2%			
900	Brembo SpA	36,898	35,052
61,800	Cementir Holding SpA	611,067	493,153
201,100	Intesa Sanpaolo SpA	682,909	661,372
500	Reply S.p.A.	31,575	41,099
121,600	Telecom Italia SpA	168,188	164,121
		1,530,637	1,394,797

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Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Japan – 1.8%			
40,200	Aiful Corporation	214,769	277,021
3,700	Belluna Co. Ltd.	19,534	19,936
60,000	Calsonic Kansei Corporation	397,189	427,269
100	Fukuda Denshi Co., Ltd.	6,131	6,214
5,300	Fuyo General Lease Co Ltd.	252,710	253,270
212,100	Hazama Ando Corp.	1,059,896	1,367,227
7,000	Kanematsu Corporation	11,970	13,434
255	Mazda Motor Corporation	1,098	1,279
2,400	Mediceo Paltac Holding Co. Ltd.	36,705	36,335
100	Message Co., Ltd.	4,005	4,071
42,000	Minebea Co. Ltd.	429,396	504,606
26	Mitsuba Corporation	446	442
1,800	Nakanishi Inc.	74,618	78,932
13,300	Namura Shipbuilding Co., Ltd.	126,922	146,117
19,600	Nippon Suisan Kaisha, Ltd.	68,151	64,681
73,300	Nippon Telegraph and Telephone Corporation	4,261,531	4,884,060
11,300	NTT Data Corporation	389,040	463,895
132,400	NTT DoCoMo, Inc.	2,251,262	2,418,011
15,000	SANKYU INC.	76,630	81,149
53,700	Seiko Epson Corporation	1,487,425	2,435,722
28	Sumitomo Chemical Co. Ltd.	89	113
38,600	Ulvac Inc.	873,880	878,836
		12,043,397	14,362,620
Malaysia – 0.5%			
301,200	Cahya Mata Sarawalk Berhad	267,254	373,300
346,800	Faber Group Berhad	316,728	403,291
88,900	Globetronics Technology Berhad	102,488	125,016
468,900	Hap Seng Consolidated Berhad	494,831	560,910
186,100	Inari Amertron Berhad	187,024	187,168
819,900	JCY International Bhd	197,150	190,696
172,200	Kossan Rubber Industries Berhad	205,928	211,728
90,700	Malaysian Pacific Industries Berhad	139,003	153,165
196,000	Muhibbah Engineering (M) Bhd	175,106	194,818
106,500	Press Metal Berhad	125,082	139,060
405,400	Puncak Niaga Holdings Berhad	471,469	451,232
22,800	Syarikat Takaful Malaysia	76,383	98,965
9,300	Tenaga Nasional Bhd	34,217	37,645
705,400	Yinson Holdings Berhad	934,842	686,678
		3,727,505	3,813,672
Mexico – 0.1%			
75,300	Gruma, S.A.B. de C.V.	915,184	961,649
Netherlands – 0.3%			
404,300	PostNL NV	2,325,517	2,034,797
2,500	USG People NV	39,322	40,516
		2,364,839	2,075,313
New Zealand – 0.7%			
502,200	Air New Zealand Limited	1,005,226	976,747
739,500	Auckland International Airport Limited	2,610,092	2,693,667
38,700	Fisher & Paykel Healthcare Corporation Ltd.	150,199	171,733
58,500	Ryman Healthcare Limited	395,654	467,160
501,000	Telecom Corporation of New Zealand Limited	1,260,198	1,254,109
		5,421,369	5,563,416
Norway – 0.9%			
6,000	Bakkafrost P/F	121,343	124,711
33,700	BW LPG Limited	519,899	526,829
8,100	BW Offshore Ltd.	12,866	12,682
583,700	DNO International ASA	2,318,353	2,396,218

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Norway (cont'd)			
5,000	Hexagon Composites ASA	31,222	31,743
165,700	Kongsberg Automotive Holdings ASA	222,422	204,342
21,000	Opera Software ASA	298,380	298,390
7,700	Salmar ASA	135,750	143,177
95,100	Statoil ASA	3,179,326	3,129,796
		6,839,561	6,867,888
Philippines – 0.0%			
400	San Miguel Pure Foods Co. Inc.	2,437	2,262
Portugal – 0.1%			
79,600	Banco Espirito Santo	153,263	69,933
75,300	Mota – Engil, SGPS, S.A.	558,028	630,773
32,700	Mota-Engil Africa Rights Dec. 31, 2014*	–	–
69,000	Sonaecom, SGPS, S.A.	233,718	177,780
		945,009	878,486
South Africa – 1.1%			
7,300	Coronation Fund Managers Ltd.	73,534	69,975
707,600	Sibanye Gold Ltd.	1,653,601	2,057,950
788,000	Steinhoff International Holdings Limited	4,377,795	4,675,765
491,400	Telkom SA Ltd.	1,275,920	2,252,104
		7,380,850	9,055,794
South Korea – 0.5%			
1,552	Hanil Cement Co., Ltd.	209,647	225,857
13,136	Huons Co. Ltd.	523,468	584,275
53,776	Hynix Semiconductor Inc.	2,485,117	2,751,392
2,220	LIG Insurance Co., Ltd.	65,169	65,057
231	SamLip General Foods Co., Ltd.	22,796	22,696
125	SK Gas Co., Ltd.	13,100	12,833
252	Sungwoo Hitech Co., Ltd.	3,727	3,705
		3,323,024	3,665,815
Spain – 1.0%			
52,700	Abengoa SA, Class B	269,312	295,972
415,100	Banco Santander SA	4,618,047	4,620,922
520,200	Bankia SA	1,137,187	1,073,875
143,300	Bankinter, S.A.	1,137,605	1,194,162
66,000	Gamesa Corporation Tecnologica SA	776,412	883,477
13,500	Sacyr S.A.	86,282	91,690
		8,024,845	8,160,098
Sweden – 0.1%			
5,800	Bilia AB	209,944	187,439
58,500	Eniro AB	492,613	419,666
		702,557	607,105
Switzerland – 0.8%			
600	Actelion Ltd.	81,303	80,913
1,900	Autoneum Holding AG	339,387	406,726
2,500	Cosmo Pharmaceuticals SpA	259,431	454,908
300	Leonteq AG	70,359	76,782
20,700	Logitech International SA	356,878	287,516
2,200	Lonza Group AG	259,942	255,511
32,800	Novartis AG	3,205,281	3,169,530
2,700	Roche Holdings AG	863,129	859,495
1,400	Swisscom AG	915,835	867,619
200	U-Blox AG	24,652	28,271
		6,376,197	6,487,271

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Thailand – 0.2%			
8,900	Bangkok Aviation Fuel Services PCL	8,922	10,610
20,000	Energy Absolute Public Company Ltd.	12,255	12,037
691,500	KCE Electronics Public Company Limited	650,258	801,672
1,307,900	Siamgas & Petrochemicals PCL	899,363	735,870
		1,570,798	1,560,189
Turkey – 0.2%			
700	Pinar Sut Mamulleri Sanayii A.S.	6,530	6,344
177,500	Tav Havalimanlari Holding AS	1,331,503	1,505,910
7,600	Vestel Beyaz Esya Sanayi ve Ticaret AS	12,848	18,674
		1,350,881	1,530,928
United Kingdom – 2.1%			
87,100	African Barrick Gold Ltd.	433,217	328,723
28,300	AstraZeneca PLC	1,790,392	2,246,459
10,372	AstraZeneca PLC ADR	527,168	822,267
6,600	Beazley PLC	29,761	30,480
16,717	BP PLC ADR	740,151	941,038
36,600	British Sky Broadcasting Group PLC	605,541	603,483
237,700	BT Group PLC	1,338,308	1,668,232
3,400	Clinigen Group PLC	37,824	23,515
8,900	Dialog Semiconductor plc	295,441	329,035
400	easyJet PLC	11,525	9,955
4,300	Faroe Petroleum PLC	9,989	9,736
87,600	FirstGroup PLC	217,057	202,266
67,117	GlaxoSmithKline PLC	1,923,568	1,913,255
136,300	Greencore Group PLC	685,144	660,972
92,900	Heritage Oil PLC	535,888	542,613
2,400	Interserve PLC	29,701	26,247
149,968	ITV PLC	331,744	487,199
51,200	Kazakhmys PLC	233,645	284,289
45,360	Legal & General Group PLC	119,348	186,666
78,169	Lloyds Banking Group PLC	102,176	106,046
5,100	National Grid PLC	78,191	78,164
2,100	NEXT PLC	258,298	248,087
9,100	Pendragon PLC	5,349	4,818
5,000	Plus500 Ltd.	53,550	42,151
9,600	Safestore Holdings PLC	34,513	38,245
14,560	Shire PLC	475,864	1,217,902
3,586	Shire PLC ADR	331,890	900,919
9,500	SOCO International plc	75,801	71,563
21,200	Trinity Mirror PLC	54,820	59,091
486,700	Vodafone Group PLC	1,988,106	1,735,060
14,422	Vodafone Group PLC ADR	297,196	513,742
16,600	Workspace Group PLC	177,941	172,753
		13,829,107	16,504,971
	TOTAL FOREIGN EQUITIES	264,273,228	287,585,102
	TOTAL EQUITIES	513,786,307	592,592,299
BOND AND DEBENTURE INSTRUMENTS – 22.7%			
Federal Bonds – 0.0%			
	Government of Canada		
160,000	5.75% due Jun. 1, 2029	222,499	223,592
Provincial Bonds – 8.7%			
	Hydro-Quebec		
303,000	0.00% due Aug. 15, 2022	233,211	237,080
	Province of Alberta		
195,000	3.45% due Dec. 1, 2043	187,785	192,468
	Province of British Columbia		
718,000	5.70% due Jun. 18, 2029	938,175	921,413
	Province of Manitoba		
510,000	6.30% due Mar. 5, 2031	678,106	690,115

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Provincial Bonds (cont'd)			
	Province of New Brunswick		
399,000	4.50% due Jun. 2, 2020	453,863	447,769
838,000	2.85% due Jun. 2, 2023	807,411	832,167
605,000	4.80% due Jun. 3, 2041	725,811	706,899
	Province of Newfoundland and Labrador		
36,000	6.15% due Apr. 17, 2028	44,967	46,891
58,000	4.50% due Apr. 17, 2037	57,641	64,840
	Province of Nova Scotia		
291,000	4.70% due Jun. 1, 2041	306,907	339,075
	Province of Ontario		
751,000	0.00% due Jun. 2, 2022	586,844	595,140
15,618,000	3.15% due Jun. 2, 2022	15,501,219	16,074,771
5,516,000	2.45% due Jun. 29, 2022	5,343,437	5,755,309
729,000	2.85% due Jun. 2, 2023	722,308	725,132
5,775,000	3.50% due Jun. 2, 2024	5,937,624	5,988,268
669,000	0.00% due Jun. 2, 2029	379,320	380,981
313,000	5.85% due Mar. 8, 2033	399,119	407,384
3,753,000	5.60% due Jun. 2, 2035	4,770,401	4,804,920
1,761,000	4.70% due Jun. 2, 2037	1,983,150	2,031,599
3,940,000	4.65% due Jun. 2, 2041	4,366,708	4,561,667
1,321,000	3.45% due Jun. 2, 2045	1,177,806	1,260,405
	Province of Quebec		
2,247,000	4.25% due Dec. 1, 2021	2,373,281	2,488,277
12,166,000	3.50% due Dec. 1, 2022	12,436,695	12,769,860
435,000	6.00% due Oct. 1, 2029	556,757	562,205
557,000	6.25% due Jun. 1, 2032	704,971	748,039
1,964,000	5.00% due Dec. 1, 2038	2,282,966	2,343,732
1,856,000	5.00% due Dec. 1, 2041	2,162,786	2,238,803
1,188,000	3.50% due Dec. 1, 2045	1,092,968	1,130,902
		67,212,237	69,346,111
Corporate Bonds – 13.2%			
	Alimentation Couche-Tard		
2,384,000	3.32% due Nov. 1, 2019	2,387,600	2,426,356
	AltaLink LP		
558,000	3.67% due Nov. 6, 2023	576,399	581,641
648,000	3.40% due Mar. 6, 2024	648,000	657,057
	Bank of Montreal		
275,000	6.02% due May 2, 2018	325,633	314,955
613,000	3.21% due Sep. 13, 2018	612,969	638,734
1,970,000	2.43% due Mar. 4, 2019	1,983,591	1,986,557
12,661,000	3.40% due Apr. 23, 2021	13,011,857	13,203,302
	Bank of Nova Scotia, The		
542,000	2.37% due Jan. 11, 2018	541,620	548,771
4,067,000	2.24% due Mar. 22, 2018	4,040,518	4,098,085
419,000	2.75% due Aug. 13, 2018	418,883	428,673
2,082,000	3.27% due Jan. 11, 2021	2,119,244	2,158,222
	Bell Canada		
933,000	3.25% due Jun. 17, 2020	926,112	957,986
1,944,000	4.70% due Sep. 11, 2023	1,972,639	2,119,551
	BMO Subordinated Notes Trust		
1,080,000	5.75% due Sep. 26, 2022	1,238,760	1,202,470
	Brookfield Asset Management Inc.		
3,237,000	3.95% due Apr. 9, 2019	3,285,462	3,402,423
3,000	5.30% due Mar. 1, 2021	3,249	3,353
816,000	4.54% due Mar. 31, 2023	820,870	861,642
2,055,000	5.04% due Mar. 8, 2024	2,101,150	2,221,070
283,000	5.95% due Jun. 14, 2035	253,020	308,059
	Cadillac Fairview Finance Trust		
1,420,000	4.31% due Jan. 25, 2021	1,474,828	1,582,414

For equities, all common shares unless otherwise noted.
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Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Canadian Imperial Bank of Commerce		
1,683,000	2.35% due Oct. 18, 2017	1,685,238	1,704,082
5,099,000	2.22% due Mar. 7, 2018	5,048,549	5,137,340
1,884,000	2.35% due Jun. 24, 2019	1,882,323	1,886,094
	Canadian Natural Resources Limited		
1,174,000	2.60% due Dec. 3, 2019	1,171,910	1,176,261
	Capital Power LP.		
635,000	4.60% due Dec. 1, 2015	660,692	659,196
	CDP Financial Inc.		
1,040,000	4.60% due Jul. 15, 2020	1,064,647	1,168,971
	CIBC Capital Trust (callable)		
295,000	10.25% due Jun. 30, 2108-(2039)	394,884	436,068
	CU Inc.		
570,000	6.22% due Mar. 6, 2024	736,229	708,737
	Empire Life Insurance Company, The (callable)		
1,071,000	2.87% due May 31, 2023-(2018)	1,073,593	1,086,586
	Enbridge Gas Distribution Inc.		
649,000	4.04% due Nov. 23, 2020	685,921	706,126
104,000	4.77% due Dec. 17, 2021	114,270	117,905
	Enbridge Inc.		
350,000	3.16% due Mar. 11, 2021	349,913	356,831
	Enbridge Inc. (callable)		
104,000	3.94% due Jun. 30, 2023-(Mar. 30, 2023)	104,530	109,055
	Enbridge Pipelines Inc.		
283,000	3.79% due Aug. 17, 2023	288,698	298,131
	Ford Credit Canada Limited		
673,000	4.88% due Feb. 8, 2017	718,094	720,100
196,000	2.94% due Feb. 19, 2019	198,372	198,340
413,000	3.28% due Jul. 2, 2021	413,000	414,556
	General Electric Company		
1,192,000	6.38% due Nov. 15, 2017	1,063,972	1,417,927
	Hydro One Inc.		
1,246,000	7.35% due Jun. 3, 2030	1,815,766	1,736,370
172,000	6.93% due Jun. 1, 2032	247,357	236,277
	Hydro One Inc. (callable)		
129,000	4.17% due Jun. 6, 2044-(Dec. 6, 2043)	128,868	130,574
	Intact Financial Corporation		
531,000	5.41% due Sep. 3, 2019	549,672	602,814
1,784,000	4.70% due Aug. 18, 2021	1,933,619	1,977,595
523,000	6.40% due Nov. 23, 2039	576,587	663,250
335,000	5.16% due Jun. 16, 2042	334,695	366,546
	Loblaw Companies Limited (callable)		
464,000	4.86% due Sep. 12, 2023-(Jun. 12, 2023)	504,532	506,590
	Manufacturers Life Insurance Company (callable)		
236,000	2.82% due Feb. 26, 2023-(2018)	239,490	240,975
1,557,000	2.93% due Nov. 29, 2023-(2018)	1,577,460	1,589,252
	Manulife Bank of Canada (callable)		
32,000	2.81% due Feb. 21, 2024-(2019)	32,000	32,462
	Manulife Financial (Delaware) LP (callable)		
889,000	4.45% due Dec. 15, 2026-(2016)	946,718	942,162
	Manulife Financial Corporation (callable)		
1,062,000	4.17% due Jun. 1, 2022-(2017)	1,069,444	1,127,487
	NBC Asset Trust (callable)		
430,000	7.45% due Jun. 30, 2049-(2020)	529,863	530,636
	Province of Ontario Generic Coupon Strip		
950,000	0.00% due Dec. 2, 2028	553,418	554,188
	RBC Yield Curve Deposit Note, Series 11		
4,385,000	0.00% due Nov. 26, 2014	4,395,963	4,434,244
	Rogers Communications Inc.		
1,506,000	5.34% due Mar. 22, 2021	1,702,196	1,708,011
218,000	4.00% due Jun. 6, 2022	224,795	227,505
	Rogers Communications Inc. (callable)		
396,000	4.00% due Mar. 13, 2024-(Dec. 13, 2023)	401,444	404,792
	Royal Bank of Canada		
2,620,000	1.26% due Jan. 30, 2015	2,626,550	2,736,695
2,071,000	2.26% due Mar. 12, 2018	2,080,919	2,088,753
3,158,000	2.82% due Jul. 12, 2018	3,162,445	3,240,371
1,040,000	2.89% due Oct. 11, 2018	1,054,395	1,069,646
910,000	2.77% due Dec. 11, 2018	915,632	930,893
2,767,000	2.86% due Mar. 4, 2021	2,775,429	2,796,819
	Standard Life Canada (callable)		
806,000	3.94% due Sep. 21, 2022-(2017)	827,671	849,184
	Sun Life Financial Inc.		
1,392,000	4.38% due Mar. 2, 2017	1,413,326	1,476,338
1,450,000	5.59% due Jan. 30, 2023	1,541,086	1,610,822
	Suncor Energy, Inc.		
870,000	5.80% due May 22, 2018	982,996	986,645
	TD Capital Trust IV (callable)		
512,000	10.00% due Jun. 30, 2108-(2039)	737,644	743,071
	TELUS Corporation		
697,000	5.05% due Dec. 4, 2019	765,487	780,689
1,513,000	3.20% due Apr. 5, 2021	1,515,019	1,535,221
	TELUS Corporation (callable)		
559,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	528,664	549,169
	Toronto-Dominion Bank, The		
1,884,000	2.17% due Apr. 2, 2018	1,888,061	1,895,270
2,530,000	2.45% due Apr. 2, 2019	2,529,268	2,552,912
1,766,000	2.56% due Jun. 24, 2020	1,766,000	1,771,538
	Union Gad Ltd. (callable)		
121,000	2.76% due Jun. 2, 2021-(May 2, 2021)	120,961	121,225
827,000	3.79% due Jul. 10, 2023-(Apr. 10, 2023)	829,578	870,080
	Union Gas Limited		
350,000	4.85% due Apr. 25, 2022	382,154	397,005
		102,604,411	105,017,703
United States Treasury Notes – 0.8%			
6,302,000	United States Treasury Notes	6,843,483	6,725,906
	TOTAL BOND AND DEBENTURE INSTRUMENTS	176,882,630	181,313,312
FIXED INCOME FUND – 1.00%			
736,758	CC&L High Yield Bond Fund Series I	7,761,038	7,835,425
EXCHANGE-TRADED FUND – 0.1%			
21,900	iShares S&P/TSX 60 Index Fund	451,950	476,544
MONEY MARKET INSTRUMENTS – 1.4%			
2,350,000	Government of Canada Treasury Bills 0.00% due Sep. 25, 2014	2,342,527	2,344,899
1,600,000	Bank of Montreal Bankers' Acceptances 0.00% to 1.10% due from Jul. 8, 2014 to Aug. 5, 2014	1,598,902	1,599,488
3,400,000	Canadian Imperial Bank of Commerce Bankers' Acceptances 0.00% to 1.14% due from Jul. 9, 2014 to Jul. 31, 2014	3,396,658	3,397,697
1,050,000	National Bank of Canada Bankers' Acceptances 0.00% due from Jul 2, 2014 to Jul. 31, 2014	1,048,992	1,049,787
1,900,000	Royal Bank of Canada Bankers' Acceptances 0.00% due from Jul. 2, 2014 to Aug. 1, 2014	1,897,542	1,898,963
1,200,000	Toronto-Dominion Bank, The Bankers' Acceptances 0.00% due from Jul. 15, 2014 to Jul. 23, 2014	1,198,957	1,199,391
		11,483,578	11,490,225
	TOTAL INVESTMENT PORTFOLIO	710,365,503	793,707,805
	Currency Spots Contracts – 0.0%		34
	Currency Forward Contracts – 0.0%		262,795
	Futures Contracts – 0.1%		532,103
	OTHER ASSETS, LESS LIABILITIES – 0.5%		3,632,895
	NET ASSETS – 100.0%		798,135,632

* This security is not actively traded and considered illiquid.

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

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

SCHEDULE OF INVESTMENT PORTFOLIO
INDEX FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Settlement Date	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(121)	mini MSCI EAFE Index Futures	Sep. 2014	(12,732,925)	(12,708,137)	24,788
(10)	S&P 500 Index Futures	Sep. 2014	(5,210,223)	(5,207,289)	2,934
(136)	S&P/TSX 60 Index	Sep. 2014	(23,306,048)	(23,492,640)	(186,592)
					(158,870)

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(14)	U.S. Treasury Long Bond Futures – Sep. 2014	(2,033,730)	(2,049,016)	(15,286)
29	Canadian 10 Year Bond Futures – Sep. 2014	3,916,183	3,943,420	27,237
				11,951

The above bond futures and index futures contracts are financial agreements to purchase/sell the bond and indices at a contracted price on a specific future date. However, the Fund does not intend to purchase/sell the bond and indices on settlement. Rather, it intends to close out each bond futures contracts and index futures contracts before settlement by entering into equal, but offsetting bond futures contracts and index futures contracts.

With respect to the above futures contracts, $2,100,000 of the September 25, 2014 Government of Canada Treasury Bills is held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 1, 2014	Swiss Franc	87,414	U.S. Dollar	97,943	104,490	666
Jul. 1, 2014	Norwegian Krone	641,922	U.S. Dollar	104,710	111,708	(61)
Jul. 1, 2014	U.S. Dollar	414,386	Japanese Yen	42,027,055	442,590	(502)
Jul. 2, 2014	Canadian Dollar	40,895	U.S. Dollar	38,399	40,966	(71)
Jul. 2, 2014	Danish Krone	672,304	U.S. Dollar	123,483	131,736	(15)
Jul. 2, 2014	Hong Kong Dollar	280,905	U.S. Dollar	36,235	38,656	11
Jul. 2, 2014	Norwegian Krone	585,193	U.S. Dollar	95,398	101,775	6
						34

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Sep. 19, 2014	Canadian Dollar	14,231,051	U.S. Dollar	13,065,000	13,967,884	263,167
Sep. 19, 2014	U.S. Dollar	90,000	Canadian Dollar	96,593	96,388	(372)
						262,795

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of AA- by Standard & Poor's.

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

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to obtain capital growth over the long term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$714,348,282	$590,732,192
Revaluation of Investments at FVTPL	791,762	989,019
Net assets attributable to holders of redeemable units	$715,140,044	$591,721,211

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$15,929,652
Revaluation of Investments at FVTPL	183,136
Increase (decrease) in net assets attributable to holders of redeemable units	$16,112,788

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ 7,170,938	$ 3,643,647	$ 3,676,606
1-3 years	4,925,282	3,408,815	6,145,948
3-5 years	44,201,655	36,823,679	28,579,886
5-10 years	96,185,105	70,854,292	67,140,856
> 10 years	28,830,332	30,249,585	34,057,118
Total	$181,313,312	$144,980,018	$139,600,414

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $729,646, or approximately 0.5% of total net assets attributable to holders of redeemable units (December 31, 2013 – $442,409, or approximately 0.4% of total net assets attributable to holders of redeemable units, January 1, 2013 – $217,023, or approximately 0.7% of the total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Scotia Balanced Opportunities Fund (Unaudited – Continued)
(formerly, Scotia Canadian Tactical Asset Allocation Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
U.S. Dollar	146,023,660	18.3	14,602,366	1.8
European Euro	39,545,448	5.0	3,954,545	0.5
Hong Kong Dollar	16,108,634	2.0	1,610,863	0.2
Japanese Yen	14,363,713	1.8	1,436,371	0.2
British Pound	13,142,904	1.6	1,314,290	0.2
South African Rand	9,055,793	1.1	905,579	0.1
Norwegian Krone	7,081,371	0.9	708,137	0.1
Swiss Franc	6,591,759	0.8	659,176	0.1
New Zealand Dollar	5,618,790	0.7	561,879	0.1
Brazilian Real	5,577,789	0.7	557,779	0.1
Danish Krone	4,710,899	0.6	471,090	0.1
Malaysian Ringgit	3,813,672	0.5	381,367	0.0
South Korean Won	3,665,816	0.5	366,582	0.0
Israel Shekel	3,112,897	0.4	311,290	0.0
Australian Dollar	2,948,950	0.4	294,895	0.0
Egyptian Pound	2,179,703	0.3	217,970	0.0
Turkish Lira	1,743,979	0.2	174,398	0.0
Thai Baht	1,560,190	0.2	156,019	0.0
Czech Koruna	1,160,850	0.1	116,085	0.0
Mexican Peso	961,649	0.1	96,165	0.0
Swedish Krona	814,438	0.1	81,444	0.0
Indonesian Rupiah	103,219	0.0	10,322	0.0
Chile Peso	98,899	0.0	9,890	0.0
Singapore Dollar	28,583	0.0	2,858	0.0
Philippines Peso	2,262	0.0	226	0.0
Total	290,015,867	36.3	29,001,586	3.5

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
U.S. Dollar	143,682,952	20.1	14,368,295	2.0
European Euro	50,667,056	7.1	5,066,706	0.7
Japanese Yen	31,262,950	4.4	3,126,295	0.4
Hong Kong Dollar	13,349,826	1.9	1,334,983	0.2
British Pound	10,149,713	1.4	1,014,971	0.1
Danish Krone	7,769,589	1.1	776,959	0.1
Australian Dollar	5,058,215	0.7	505,822	0.1
Swiss Franc	4,578,649	0.6	457,865	0.1
Swedish Krona	4,179,856	0.6	417,986	0.1
South African Rand	4,004,279	0.6	400,428	0.1
Norwegian Krone	3,195,299	0.4	319,530	0.0
New Zealand Dollar	2,943,888	0.4	294,389	0.0
Brazilian Real	1,859,134	0.3	185,913	0.0
Malaysian Ringgit	1,580,604	0.2	158,060	0.0
Thai Baht	1,264,015	0.2	126,402	0.0
Turkish Lira	855,955	0.1	85,596	0.0
Philippines Peso	743,525	0.1	74,353	0.0
Israel Shekel	678,943	0.1	67,894	0.0
South Korean Won	602,897	0.1	60,290	0.0
Egyptian Pound	544,132	0.1	54,413	0.0
Czech Koruna	519,797	0.1	51,980	0.0
Indonesian Rupiah	148,337	0.0	14,834	0.0
Total	289,639,611	40.6	28,963,964	3.9

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
U.S. Dollar	87,913,845	14.9	8,791,385	1.5
European Euro	16,529,449	2.8	1,652,945	0.3
Japanese Yen	16,257,659	2.7	1,625,766	0.3
British Pound	8,656,468	1.5	865,647	0.1
Swedish Krona	4,505,354	0.8	450,535	0.1
Danish Krone	3,616,113	0.6	361,611	0.1
Swiss Franc	1,919,731	0.3	191,973	0.0
Norwegian Krone	832,691	0.1	83,269	0.0
Australian Dollar	687,433	0.1	68,743	0.0
Israel Shekel	54,816	0.0	5,482	0.0
New Zealand Dollar	11,926	0.0	1,193	0.0
Hong Kong Dollar	10,066	0.0	1,007	0.0
Total	140,995,551	23.8	14,099,555	2.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 74.2% (December 31, 2013 – 76.7%, January 1, 2013 – 74.3%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $59,259,230 (December 31, 2013 – $54,691,556, January 1, 2013 – $43,894,788). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	1.7	0.4	5.2	1.1	7.1	1.7
AA	55.5	12.6	44.9	9.0	36.6	8.6
A	37.9	8.6	41.6	8.4	47.7	11.3
BBB	4.9	1.1	8.3	1.7	8.6	2.0
Total	100.0	22.7	100.0	20.2	100.0	23.6

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$8,464,453	$ –	$1,030,166	$ –	$1,177,440
Unrealized loss on currency forward contracts	–	372	–	7,689	–	85,718
Payable for index futures and bond futures contracts	–	–	–	188,622	–	263,503
Unrealized loss on currency spot contracts	–	649	–	–	–	739
Redeemable units	798,135,632	–	715,140,044	–	591,721,211	–
	$798,135,632	$8,465,474	$715,140,044	$1,226,477	$591,721,211	$1,527,400

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	38.3	36.0	50.4
Foreign Equities	35.9	40.7	23.9
Bond and Debenture Instruments	22.7	20.2	23.6
Fixed Income Fund	1.0	0.3	0.6
Exchange-Traded Fund	0.1	–	–
Money Market Instruments	1.4	2.0	0.7
Currency Spot Contracts	0.0	–	0.0
Currency Forward Contracts	0.0	0.0	(0.0)
Futures Contracts	0.1	(0.0)	(0.0)

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$454,770,149	$136,905,942	$890,000	$592,566,091
Bond and Debenture Instruments	–	181,313,312	–	181,313,312
Warrants	24,860	1,348	–	26,208
Mutual Fund	7,835,425	–	–	7,835,425
Exchange-Traded Fund	476,544	–	–	476,544
Money Market Instruments	–	11,490,225	–	11,490,225
Currency Spot Contracts–Assets	683	–	–	683
Currency Forward Contracts–Assets	–	263,167	–	263,167
Futures Contracts (Long)	27,237	–	–	27,237
	463,134,898	329,973,994	890,000	793,998,892
Currency Spot Contracts–Liabilities	(649)	–	–	(649)
Currency Forward Contracts–Liabilities	–	(372)	–	(372)
Futures Contracts (Short)	(174,156)	–	–	(174,156)
	(174,805)	(372)	–	(175,177)
	$462,960,093	$329,973,622	$890,000	$793,823,715

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$401,697,868	$145,411,959	$ –	$547,109,827
Bond and Debenture Instruments	–	144,980,018	–	144,980,018
Warrant	363,066	51	–	363,117
Mutual Fund	2,309,971	–	–	2,309,971
Money Market Instruments	–	14,632,142	–	14,632,142
Currency Forward Contracts–Assets	–	91,099	–	91,099
Futures Contracts (Long)	(336,960)	–	–	(336,960)
	404,033,945	305,115,269	–	709,149,214
Currency Forward Contracts–Liabilities	–	(7,689)	–	(7,689)
Futures Contracts (Short)	(1,476,143)	–	–	(1,476,143)
	(1,476,143)	(7,689)	–	(1,483,832)
	$402,557,802	$305,107,580	$ –	$707,665,382

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$386,601,925	$ 53,071,384	$ –	$439,673,309
Warrants	–	33,372	–	33,372
Bond and Debenture Instruments	–	139,600,414	–	139,600,414
Mutual Fund	3,795,363	–	–	3,795,363
Money Market Instruments	–	3,941,851	–	3,941,851
Currency Spot Contracts–Assets	8,082	–	–	8,082
Currency Forward Contracts–Assets	–	4,222	–	4,222
Futures Contracts (Long)	(40,674)	–	–	(40,674)
	390,364,696	196,651,243	–	587,015,939
Currency Spot Contracts–Liabilities	(739)	–	–	(739)
Currency Forward Contracts–Liabilities	–	(85,718)	–	(85,718)
Futures Contracts (Short)	(115,152)	–	–	(115,152)
	(115,891)	(85,718)	–	(201,609)
	$390,248,805	$196,565,525	$ –	$586,814,330

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the years ended at June 30, 2014, December 31, 2013 and January 1, 2013.

	June 30, 2014	December 31, 2013	January 1, 2013
Beginning of period	$ –	$ –	$ –
Purchases	890,000	–	–
Sales	–	–	–
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
Net realized gains (losses)	–	–	–
Net change in unrealized appreciation (depreciation)*	–	–	–
End of period	$890,000	$ –	$ –

* Net change in unrealized appreciation (depreciation) for Level 3 financial instruments held as at June 30, 2014, December 31, 2013 and January 1, 2013, was $0, nil and nil, respectively.

Level 3 Valuation Techniques

As of June 30, 2014, the significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

	Fair Value	Valuation Technique	Significant Unobservable Inputs
Equities	$890,000	Recent transaction	Purchase price

The Fund did not hold any level 3 financial instruments as of December 31, 2013 and January 1, 2013.

If the significant unobservable inputs used in determining the fair value of the Fund's Level 3 financial instruments decreased or increased by 5%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $44,500 (December 31, 2013 nil), (January 1, 2013 – nil).

Scotia Global Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$61,479,549	$48,704,119	$23,509,447
Cash	237,585	473,737	342,401
Accrued investment income	175	381	276
Receivable for securities sold	25,386	24,699	3,467
Subscriptions receivable	118,166	141,027	67,141
	61,860,861	49,343,963	23,922,732
LIABILITIES			
Current liabilities			
Payable for securities purchased	87,554	285,461	19,564
Redemptions payable	105,637	12,675	9,500
Accrued expenses	122,750	–	–
	315,941	298,136	29,064
Net Assets attributable to holders of redeemable units	$61,544,920	$49,045,827	$23,893,668
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$61,544,920	$49,045,827	$23,893,668
UNITS OUTSTANDING			
Series A Units	4,476,739	3,747,447	2,085,148
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.75	$ 13.09	$ 11.46

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments) (note 2)		
Interest for distribution purposes	$ 592,779	$ 514,005
Capital gains distributions received	1,114,763	438,873
Net realized gain (loss) on non-derivative financial assets	51,063	22,653
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,524,637	1,525,291
Net gain (loss) on investments	3,283,242	2,500,822
Other income	922	911
Total income (loss)	3,284,164	2,501,733
EXPENSES		
Management fees (note 5)	573,123	289,026
Harmonized Sales Tax/Goods and Services Tax	61,469	34,358
Audit fees	640	364
Independent Review Committee fees	85	51
Custodian fees	1,202	916
Filing fees	7,716	6,659
Legal fees	183	128
Unitholder reporting costs	4,525	3,617
Unitholder administration and service fees	16,059	11,554
Total expenses	665,002	346,673
Net expenses	665,002	346,673
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$2,619,162	$2,155,060
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$2,619,162	$2,155,060
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.62	$ 0.89
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	4,238,372	2,410,264

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$49,045,827	$23,893,668
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,619,162	2,155,060
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	–	(97,252)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	14,887,869	11,848,583
Payments on redemption		
Series A Units	(5,007,938)	(2,687,532)
	9,879,931	9,161,051
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	12,499,093	11,315,837
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$61,544,920	$35,209,505

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,619,162	$ 2,155,060
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(51,063)	(22,653)
Net realized gain (loss) on commodities	–	–
Net realized gain (loss) foreign exchange on cash	–	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,524,637)	(1,525,291)
Purchases of non-derivative financial assets	(11,841,897)	(9,911,970)
Proceeds from sale of non-derivative financial assets	443,573	275,094
Accrued investment income	206	(214)
Accrued expenses	122,750	62,103
Change in margin accounts for futures contracts	–	–
Net cash provided by (used in) operating activities	(10,231,906)	(8,967,871)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	14,910,814	11,828,638
Amounts paid on redemption of redeemable units	(4,914,976)	(2,677,633)
Distributions to unitholders of redeemable units	(84)	(120)
Net cash provided by (used in) financing activities	9,995,754	9,150,885
Net increase (decrease) in cash	(236,152)	183,014
Cash at beginning of period	473,737	342,401
CASH AT END OF PERIOD	$ 237,585	$ 525,415
Interest received(1)	592,985	513,791

(1) Classified as operating items.

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

Scotia Global Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
INTERNATIONAL BALANCED FUND – 99.9%			
7,173,810	CI Signature Global Income & Growth Fund Series I	55,180,817	61,479,549
	TOTAL INVESTMENT PORTFOLIO	55,180,817	61,479,549
	OTHER ASSETS, LESS LIABILITIES – 0.1%		65,371
	NET ASSETS – 100.0%		61,544,920

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

Scotia Global Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) This Fund's invesment objective is to generate income and long term capital growth. It invests primarily in a combination of equity and fixed income securities from anywhere in the world. The Fund is not limited to how much it invests in any single country or asset class.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.9% (December 31, 2013 – 99.3%, January 1, 2013 – 98.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $6,147,955 (December 31, 2013 – $4,870,412, January 1, 2013 – $2,350,945). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$315,941	$ –	$298,136	$ –	$29,064
Redeemable units	61,544,920	–	49,045,827	–	23,893,668	–
	$61,544,920	$315,941	$49,045,827	$298,136	$23,893,668	$29,064

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
International Balanced Fund	99.9	99.3	98.4

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$61,479,549	$ –	$ –	$61,479,549

Scotia Global Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$48,704,119	$ –	$ –	$48,704,119

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$23,509,447	$ –	$ –	$23,509,447

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. $ Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
	U.S. $	U.S. $	U.S. $
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$92,904,668	$60,253,469	$16,632,749
Cash	2,198,074	6,500,038	3,670,221
Accrued investment income	244,128	162,873	57,664
Receivable for securities sold	2,172,675	–	326,360
Subscriptions receivable	104,802	184,820	122,414
Margin deposited on futures	110,826		
	97,735,173	67,101,200	20,809,408
LIABILITIES			
Current liabilities			
Payable for securities purchased	3,712,139	–	181,367
Redemptions payable	29,564	227,868	700
Accrued expenses	165,725	–	–
	3,907,428	227,868	182,067
Net Assets attributable to holders of redeemable units	$93,827,745	$66,873,332	$20,627,341
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$93,827,745	$66,873,332	$20,627,341
UNITS OUTSTANDING			
Series A Units	8,203,350	6,026,921	2,055,207
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.44	$ 11.10	$ 10.04

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
	U.S. $	U.S. $
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 364,604	$ 96,411
Interest for distribution purposes	367,588	108,576
Net realized gain (loss) on non-derivative financial assets	2,716,105	606,098
Net realized gain (loss) on futures contracts	(78,328)	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	303,490	307,970
Net gain (loss) on investments	3,673,459	1,119,055
Other income	396	493
Total income (loss)	3,673,855	1,119,548
EXPENSES		
Management fees (note 5)	739,803	266,037
Harmonized Sales Tax/Goods and Services Tax	85,427	31,849
Audit fees	837	374
Independent Review Committee fees	119	50
Custodian fees	2,288	617
Filing fees	7,744	7,143
Legal fees	256	124
Unitholder reporting costs	3,134	2,662
Unitholder administration and service fees	9,686	4,099
Overdraft charges	25	–
Foreign withholding taxes/tax reclaims	58,923	12,713
Transaction costs	82,953	29,221
Total expenses	991,195	354,889
Net expenses	991,195	354,889
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$2,682,660	$ 764,659
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$2,682,660	$ 764,659
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.37	$ 0.27
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	7,228,295	2,838,434

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. $ Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
	U.S. $	U.S. $
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$66,873,332	$20,627,341
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,682,660	764,659
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	32,474,002	21,342,733
Payments on redemption		
Series A Units	(8,202,249)	(2,918,825)
	24,271,753	18,423,908
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	26,954,413	19,188,567
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	93,827,745	39,815,908

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
	U.S. $	U.S. $
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,682,660	$ 764,659
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(2,716,105)	(606,098)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(303,490)	(307,970)
Purchases of non-derivative financial assets	(97,318,510)	(36,134,164)
Proceeds from sale of non-derivative financial assets	69,144,244	20,324,218
Transaction costs	82,126	29,221
Accrued investment income	(81,255)	(22,794)
Accrued expenses	165,725	63,270
Change in margin accounts for futures contracts	(110,826)	–
Net cash provided by (used in) operating activities	(28,455,431)	(15,889,658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,554,020	21,406,406
Amounts paid on redemption of redeemable units	(8,400,553)	(2,863,864)
Net cash provided by (used in) financing activities	24,153,467	18,542,542
Net increase (decrease) in cash	(4,301,964)	2,652,884
Cash at beginning of period	6,500,038	3,670,221
CASH AT END OF PERIOD	$ 2,198,074	$ 6,323,105
Interest received(1)	293,894	91,882
Dividends received, net of withholding taxes(1)	298,120	77,598

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
U.S. $		U.S. $	U.S. $
EQUITIES – 62.1%			
Energy – 10.3%			
8,200	Cimarex Energy Co.	1,107,505	1,176,167
21,600	Devon Energy Corporation	1,688,896	1,715,040
9,700	EOG Resources, Inc.	1,048,407	1,133,203
16,500	Exxon Mobil Corporation	1,668,520	1,660,313
9,700	Helemerich & Payne, Inc.	1,073,361	1,125,976
12,800	Phillips 66 Company	1,009,073	1,029,312
15,400	Schlumberger Limited	1,572,624	1,816,428
		9,168,386	9,656,439
Materials – 3.5%			
11,100	LyondellBasell Industries NV, Class A	906,657	1,083,749
9,100	Martin Marietta Materials Inc.	1,150,253	1,201,519
4,900	PPG Industries, Inc.	932,034	1,029,735
		2,988,944	3,315,003
Industrials – 9.0%			
25,400	American Airlines Group Inc.	868,611	1,091,184
27,300	Delta Air Lines, Inc.	871,324	1,057,056
9,500	General Dynamics Corporation	1,120,043	1,107,225
24,600	ITT Corporation	1,045,517	1,184,365
8,700	Rockwell Automation, Inc.	1,002,046	1,088,675
11,000	Union Pacific Corporation	1,058,101	1,097,250
17,600	United Rental, Inc.	1,273,431	1,844,040
		7,239,073	8,469,795
Consumer Discretionary – 4.7%			
24,200	BorgWarner, Inc.	1,483,818	1,577,598
21,200	Comcast Corporation, Class A	1,133,148	1,138,016
19,300	Walt Disney Company, The	1,377,711	1,654,780
		3,994,677	4,370,394
Consumer Staples – 1.8%			
22,000	CVS Caremark Corporation	1,535,828	1,657,590
Health Care – 7.0%			
4,600	Actavis Inc.	906,061	1,021,039
3,600	Biogen Idec Inc.	1,145,636	1,135,116
13,000	Celgene Corporation	1,048,574	1,116,440
11,100	Johnson & Johnson	1,117,823	1,160,894
6,000	McKesson Corporation	1,064,894	1,117,260
18,100	Merck & Co., Inc.	1,044,289	1,047,085
		6,327,277	6,597,834
Financials – 6.0%			
11,000	American Express Company	897,902	1,043,405
8,400	Berkshire Hathaway Inc., Class B	1,047,639	1,063,104
35,900	Blackstone Group LP	1,079,849	1,200,496
35,900	Morgan Stanley	1,020,410	1,160,647
21,500	Wells Fargo & Company	1,063,871	1,129,718
		5,109,671	5,597,370
Information Technology – 15.9%			
19,600	Agilent Technologies, Inc.	1,106,614	1,125,530
25,600	Apple Inc.	2,016,835	2,379,007
52,700	Applied Materials, Inc.	1,124,365	1,188,385
44,100	Cisco Systems, Inc.	1,079,499	1,095,885
1,900	Google Inc. Class A	1,085,846	1,110,873
33,500	Hewlett-Packard Company	1,127,711	1,128,280
26,900	Microsoft Corporation	1,009,645	1,121,730
28,600	Oracle Corporation	1,184,573	1,159,158
14,100	QUALCOMM, Inc.	1,080,718	1,116,720
11,900	SanDisk Corporation	1,107,390	1,242,717
18,900	Tyco Electronics Ltd.	1,041,286	1,168,776
12,100	Western Digital Corporation	1,111,073	1,116,830
		14,075,555	14,953,891

For equities, all common shares unless otherwise noted.

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

Scotia U.S. $ Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Face Value($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S. $		U.S. $	U.S. $
EQUITIES (cont'd)			
Exchange-Traded Funds – 3.9%			
30,500	iShares iBoxx Investment Grade	3,437,972	3,637,430
	TOTAL EQUITIES	53,877,383	58,255,746
BOND AND DEBENTURE INSTRUMENTS – 36.9%			
Corporate Bonds – 8.6%			
	Altria Group, Inc.		
150,000	9.70% due Nov. 10, 2018	202,402	196,860
134,000	9.25% due Aug. 6, 2019	186,894	177,873
	American Tower Corporation		
200,000	4.50% due Jan. 15, 2018	221,572	217,791
300,000	3.40% due Feb. 15, 2019	311,106	314,711
	Anheuser-Busch InBev Finance Inc.		
385,000	2.15% due Feb. 1, 2019	385,524	388,440
	B.A.T. International Finance p.l.c.		
304,000	9.50% due Nov. 15, 2018	407,874	395,826
	Ball Corporation		
100,000	4.00% due Nov. 15, 2023	92,000	95,500
	Boston Properties, Inc.		
188,000	4.13% due May 15, 2021	195,326	200,412
175,000	5.88% due Oct. 15, 2019	204,593	204,131
	Canadian Oil Sands Ltd.		
600,000	7.75% due May 15, 2019	735,555	735,450
	CC Holdings GS V LLC / Crown Castle GS III Corporation		
467,000	3.85% due Apr. 15, 2023	449,669	471,198
	Comcast Corporation		
195,000	6.50% due Jan. 15, 2017	234,849	222,094
200,000	5.70% due Jul. 1, 2019	233,034	234,620
	Denbury Resources Inc.		
6,000	5.50% due May 1, 2022	6,000	6,165
	Express Scripts Holding Company		
150,000	3.90% due Feb. 15, 2022	155,447	157,499
150,000	2.25% due Jun. 15, 2019	149,639	149,730
	Husky Energy Inc. (callable)		
200,000	3.95% due Apr. 15, 2022-(Jan. 15, 2022)	209,860	207,003
	Kimco Realty Corporation		
108,000	6.88% due Oct. 1, 2019	129,571	130,128
	Linn Energy LLC/ Linn Energy Finance Corporation		
75,000	6.25% due Nov. 1, 2019	77,929	78,938
	Pernod Ricard SA		
440,000	4.45% due Jan. 15, 2022	464,222	468,028
	Plains All American Pipeline LP		
300,000	5.75% due Jan. 15, 2020	345,465	348,438
	SABMiller PLC		
1,054,000	3.75% due Jan. 15, 2022	1,101,029	1,096,044

Face Value($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S. $		U.S. $	U.S. $
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Service Corp International (callable)		
135,000	5.38% due Jan. 15, 2022-(Jul. 15, 2017)	137,630	140,400
	Silgan Holdings Inc. (callable)		
56,000	5.50% due Feb. 1, 2022-(Aug. 1, 2017)	56,000	58,450
	Simon Property Group LP (callable)		
168,000	5.65% due Feb. 1, 2020 -(Nov. 1, 2019)	194,129	196,526
86,000	5.88% due Mar. 1, 2017 -(Dec. 1, 2016)	96,561	96,157
	Spectra Energy Partners LP		
300,000	4.75% due Mar. 15, 2024	317,355	325,181
	Ventas Realty LP / Ventas Capital Corp. (callable)		
230,000	2.70% due Apr. 1, 2020-(Jan. 1, 2020)	224,531	229,563
	Verizon Communications Inc.		
325,000	3.45% due Mar. 15, 2021	326,028	337,818
47,000	5.15% due Sep. 15, 2023	46,848	53,085
	WEA Finance LLC / WT Finance Australia		
144,000	5.75% due Sep. 2, 2015	159,849	152,474
		8,058,491	8,086,533
United States Treasury Notes – 28.3%			
	United States Treasury Notes		
3,000,000	3.63% due Feb. 15, 2021	3,329,531	3,302,365
4,770,000	1.75% due May 15, 2023	4,526,027	4,520,243
543,000	0.38% due Jun. 30, 2015	544,076	544,379
225,000	1.88% due Jun. 30, 2015	234,428	228,894
925,400	1.75% due May 31, 2016	951,572	948,914
3,500,000	0.88% due Nov. 30, 2016	3,523,125	3,523,555
2,005,000	2.50% due Jun. 30, 2017	2,100,575	2,100,628
1,200,000	0.63% due Sep. 30, 2017	1,187,789	1,185,666
5,945,400	2.38% due May 31, 2018	6,223,719	6,198,949
200,000	2.00% due Feb. 15, 2022	195,047	197,005
1,410,000	1.63% due Nov. 15, 2022	1,366,360	1,333,620
1,800,000	2.50% due Aug. 15, 2023	1,758,992	1,811,628
650,000	2.75% due Nov. 15, 2023	651,625	666,543
		26,592,866	26,562,389
	TOTAL BOND AND DEBENTURE INSTRUMENTS	35,302,982	34,648,922
	TOTAL INVESTMENT PORTFOLIO	89,180,365	92,904,668
	Futures Contracts – 0.1%		110,826
	OTHER ASSETS, LESS LIABILITIES – 0.9%		812,251
	NET ASSETS – 100.0%		93,827,745

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(43)	U.S. 10 Year Treasury Note Futures – Sep. 2014	(5,764,506)	(5,742,197)	22,309
(14)	U.S. Treasury Long Bond Futures – Sep. 2014	(2,056,059)	(2,049,016)	7,042
				29,351

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia U.S. $ Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide long term capital growth and current income in U.S. dollars. It invests primarily in a combination of fixed income and equity securities that are denominated in U.S. dollars.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$66,852,506	$20,622,050
Revaluation of Investments at FVTPL	20,826	5,291
Net assets attributable to holders of redeemable units	$66,873,332	$20,627,341

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$751,589
Revaluation of Investments at FVTPL	13,070
Increase (decrease) in net assets attributable to holders of redeemable units	$764,659

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ 773,273	$ 2,708,156	$ –
1-3 years	4,943,193	2,459,692	4,050,055
3-5 years	12,082,901	4,516,107	1,338,956
5-10 years	16,849,555	12,395,316	2,553,688
> 10 years	–	–	100,381
Total	$34,648,922	$22,079,271	$8,043,080

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $459,666 or approximately 0.5% of total net assets attributable to holders of redeemable units (December 31, 2013 – $384,820 or approximately 0.6% net assets attributable to holders of redeemable units, January 1, 2013 – $97,644 or approximately 0.5% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 62.1% (December 31, 2013 – 57.1%, January 1, 2013 – 41.7%) of the Fund's

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $5,825,575 (December 31, 2013 – $3,816,758, January 1, 2013 – $858,784). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,907,428	$ –	$227,868	$ –	$182,067
Redeemable units	93,827,745	–	66,873,332	–	20,627,341	–
	$93,827,745	$3,907,428	$66,873,332	$227,868	$20,647,341	$182,067

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)
AAA	–	–	–	–	60.5	23.6
AA	76.7	28.3	86.0	28.4	–	–
A	5.5	2.0	4.3	1.4	8.3	3.2
BBB	16.8	6.2	8.6	2.8	29.5	11.5
BB	0.4	0.2	1.1	0.4	1.7	0.6
B	0.6	0.2	–	–	–	–
Total	100.0	36.9	100.0	33.0	100.0	38.9

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Equities			
Index Units	–	5.4	0.0
Energy	10.3	3.7	3.9
Materials	3.5	2.8	–
Industrials	9.0	9.0	5.3
Consumer Discretionary	4.7	4.2	7.6
Consumer Staples	1.8	2.1	5.4
Health Care	7.0	7.2	2.8
Financials	6.0	9.5	6.0
Information Technology	15.9	13.2	8.5
Telecommunication Services	–	–	2.2
Exchange-traded Funds	3.9	–	–
Bond and Debenture Instruments			
Corporate Bonds	8.6	4.6	15.3
United States Treasury Notes	28.3	28.4	23.6

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$58,255,746	$ –	$ –	$58,255,746
Bond and Debenture Instruments	–	34,648,922	–	34,648,922
Futures Contracts (Short)	29,351	–	–	29,351
	$58,285,097	$34,648,922	$ –	$92,934,019

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$38,174,194	$ –	$ –	$38,174,194
Bond and Debenture Instruments	–	22,079,275	–	22,079,275
	$38,174,194	$22,079,275	$ –	$60,253,469

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 8,589,539	$ –	$ –	$ 8,589,539
Options (Written Put)	(35)	–	–	(35)
Bond and Debenture Instruments	–	8,043,081	–	8,043,081
	8,589,504	8,043,081	–	16,632,585
Options (Put)	164	–	–	164
	$ 8,589,668	$ 8,043,081	$ –	$16,632,749

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private Canadian Preferred Share Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$356,936,303	$348,315,329	$260,971,665
Cash	27,251,817	8,422,940	9,474,609
Accrued investment income	775,356	662,753	617,372
Receivable for securities sold	3,496,248	–	–
Subscriptions receivable	1,814,120	194,470	658,943
	390,273,844	357,595,492	271,722,589
LIABILITIES			
Current liabilities			
Payable for securities purchased	3,777,012	–	–
Distributions payable	394,442	–	–
Redemptions payable	402,746	96,712	126,345
Accrued expenses	30,108	–	–
	4,604,308	96,712	126,345
Net Assets attributable to holders of redeemable units	$385,669,536	$357,498,780	$271,596,244
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$ –	$119,898,357	$ 65,203,417
Series M Units	$385,669,536	$237,600,423	$206,392,827
UNITS OUTSTANDING			
Series I Units	–	12,832,622	6,449,228
Series M Units	40,414,627	25,186,960	20,212,833
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ –	$ 9.34	$ 10.11
Series M Units	$ 9.54	$ 9.43	$ 10.21

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 8,060,505	$ 7,319,474
Interest for distribution purposes	81,376	61,236
Net realized gain (loss) on non-derivative financial assets	(12,836,947)	531,606
Change in unrealized appreciation (depreciation) of non-derivative financial assets	19,273,560	(10,348,658)
Net gain (loss) on investments	14,578,494	(2,436,342)
Securities lending	5,616	5,752
Total income (loss)	14,584,110	(2,430,590)
EXPENSES		
Management fees (note 5)	112,448	89,367
Harmonized Sales Tax/Goods and Services Tax	13,725	12,031
Audit fees	3,903	4,050
Independent Review Committee fees	538	581
Custodian fees	2,749	1,614
Filing fees	14,600	7,713
Legal fees	1,149	1,418
Unitholder reporting costs	2,920	3,653
Unitholder administration and service fees	23,844	17,586
Transaction costs	578,600	218,476
Total expenses	754,476	356,489
Absorbed expenses	(43)	–
Net expenses	754,433	356,489
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 13,829,677	$ (2,787,079)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$ 701,096	$ (708,208)
Series M Units	$ 13,128,581	$ (2,078,871)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 0.13	$ (0.09)
Series M Units	$ 0.39	$ (0.08)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	5,204,286	7,671,983
Series M Units	34,053,726	25,251,859

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$ 119,898,357	$ 65,203,417
Series M Units	237,600,423	206,392,827
	357,498,780	271,596,244
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	701,096	(708,208)
Series M Units	13,128,581	(2,078,871)
	13,829,677	(2,787,079)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I Units	(289,117)	(1,679,696)
Series M Units	(9,355,025)	(5,280,433)
	(9,644,142)	(6,960,129)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	27,473,547	24,548,511
Series M Units	180,745,876	102,451,038
Reinvested distributions		
Series I Units	289,117	1,679,692
Series M Units	8,456,809	4,866,750
Payments on redemption		
Series I Units	(148,073,000)	–
Series M Units	(44,907,128)	(31,887,804)
	23,985,221	101,658,187
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	(119,898,357)	23,840,299
Series M Units	148,069,113	68,070,680
	28,170,756	91,910,979
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	–	89,043,716
Series M Units	385,669,536	274,463,507
	$ 385,669,536	$363,507,223

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 13,829,677	$ (2,787,079)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	12,836,947	(531,606)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(19,273,560)	10,348,658
Purchases of non-derivative financial assets	(185,932,878)	(126,508,733)
Proceeds from sale of non-derivative financial assets	183,450,681	23,594,027
Transaction costs	578,600	218,476
Accrued investment income	(112,603)	(919,881)
Accrued expenses	30,108	23,261
Net cash provided by (used in) operating activities	5,406,972	(96,562,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	206,599,773	126,395,687
Amounts paid on redemption of redeemable units	(192,674,094)	(31,841,388)
Distributions to unitholders of redeemable units	(503,774)	(181,311)
Net cash provided by (used in) financing activities	13,421,905	94,372,988
Net increase (decrease) in cash	18,828,877	(2,189,889)
Cash at beginning of period	8,422,940	9,474,609
CASH AT END OF PERIOD	$ 27,251,817	$ 7,284,720
Interest received(1)	75,308	61,634
Dividends received, net of withholding taxes(1)	7,953,972	6,399,194

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 92.5%			
Energy – 13.6%			
140,000	Enbridge Inc., 4.00%, Preferred, Series B	3,455,997	3,486,000
130,000	Enbridge Inc., 4.00%, Preferred, Series F	3,310,016	3,243,500
110,000	Enbridge Inc., 4.00%, Preferred, Series R	2,732,319	2,714,800
25,000	Enbridge Inc., 4.00%, Preferred, Series 3	593,750	608,750
127,000	Enbridge Inc., 4.00%, Preferred, Series D	3,233,787	3,155,950
50,000	Enbridge Inc., 4.00%, Preferred, Series N	1,247,500	1,250,500
20,000	Enbridge Inc., 4.00%, Preferred, Series P	489,000	492,800
100,000	Enbridge Inc., 4.40%, Preferred, Series 11	2,513,632	2,525,000
70,000	Enbridge Inc., 4.40%, Preferred, Series 7	1,765,400	1,771,700
95,000	Enbridge Inc., 4.40%, Preferred, Series 9	2,381,300	2,417,750
547,200	Husky Energy Inc., 4.45%, Preferred, Series 1	14,206,848	12,618,432
166,400	TransCanada Corporation, 4.00%, Preferred, Series 7	4,141,667	4,199,936
182,000	TransCanada Corporation, 4.00%, Preferred, Series B	4,604,626	3,703,700
125,000	TransCanada Corporation, 4.25%, Preferred, Series 9	3,136,750	3,165,000
95,600	TransCanada Corporation, 4.40%, Preferred, Series 5	2,434,885	2,159,604
215,500	TransCanada Corporation, 4.60%, Preferred, Series 1	5,027,540	5,008,220
		55,275,017	52,521,642
Consumer Discretionary – 2.1%			
135,000	George Weston Ltd., 4.75%, Preferred, Series V	3,414,250	3,144,150
91,800	Shaw Communications, Inc., 4.50%, Preferred, CI2 Series A	2,349,004	2,069,172
158,400	Thomson Reuters Corporation, 2.09%, Preferred, Series B	3,493,014	2,827,440
		9,256,268	8,040,762
Consumer Staples – 1.2%			
100,000	George Weston Ltd., 5.20%, Preferred, Series D	2,574,960	2,434,000
80,000	Loblaw Companies Limited, 5.95%, Preferred, Series A	2,100,000	2,101,600
		4,674,960	4,535,600
Financials – 58.6%			
25,000	Bank of Montreal, 5.25%, Preferred, Series 14	653,000	652,375
40,000	Bank of Montreal, 5.20%, Preferred, Series 16	982,280	1,010,000
111,900	Bank of Montreal, 3.90%, Preferred, Series 25	2,769,305	2,754,978
110,000	Bank of Montreal, 3.90%, Preferred, Series 29	2,750,000	2,783,000
100,000	Bank of Montreal, 4.00%, Preferred, Series 27	2,500,000	2,541,000
147,000	Bank of Montreal, 4.50%, Preferred, Series 13	3,803,424	3,798,480
130,000	Bank of Montreal, 5.40%, Preferred, Series 23	3,388,157	3,339,700
70,000	Bank of Montreal, 5.80%, Preferred, Series 15	1,848,000	1,861,300
171,000	Bank of Nova Scotia, The 3.70%, Preferred, Series 32	4,298,876	4,151,880
75,000	Bank of Nova Scotia, The 3.85%, Preferred, Series 30	1,788,750	1,776,000
90,000	Bank of Nova Scotia, The 4.50%, Preferred, Series 14	2,312,711	2,314,800
45,000	Bank of Nova Scotia, The 3.028%, Preferred, Series 19	1,176,063	1,147,950
70,000	Bank of Nova Scotia, The 3.35%, Preferred, Series 18	1,766,300	1,766,800
125,000	Bank of Nova Scotia, The 3.83%, Preferred, Series 22	3,215,950	3,181,250
50,000	Bank of Nova Scotia, The 4.50%, Preferred, Series 15	1,282,500	1,289,000
50,000	Bank of Nova Scotia, The 5.25%, Preferred, Series 16	1,304,250	1,304,000
30,000	Bank of Nova Scotia, The 5.60%, Preferred, Series 17	792,000	780,600
65,000	Bank of Nova Scotia, The 5.00%, Preferred, Series 20	1,642,200	1,646,450
175,000	BCE Inc., 4.15%, Preferred, Series AK	3,878,540	3,944,500
100,000	Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	2,500,000	2,534,000
100,000	Canadian Imperial Bank of Commerce, 5.40%, Preferred G, Series 29	2,533,000	2,551,000
412,600	Canadian Imperial Bank of Commerce, 5.60%, Preferred E, Series 27	10,646,931	10,513,048
87,600	Canadian Imperial Bank of Commerce, 5.75%, Preferred D, Series 26	2,272,096	2,236,428
40,000	Great-West Lifeco Inc., 5.80%, Preferred, Series M	1,046,000	1,054,000
493,400	Great-West Lifeco Inc., 3.65%, Preferred, Series N	12,112,776	10,642,638
70,000	Great-West Lifeco Inc., 4.50%, Preferred, Series 1	1,596,000	1,608,600
51,500	Great-West Lifeco Inc., 4.80%, Preferred, Series R	1,191,850	1,225,185
30,000	Great-West Lifeco Inc., 5.65%, Preferred, Series L	769,800	772,200
287,000	HSBC Bank of Canada 5.00%, Preferred, Series D	7,390,861	7,390,250
263,600	HSBC Bank of Canada 5.10%, Preferred, Series C	6,784,931	6,671,716
260,000	Industrial Alliance, 4.60%, Preferred, Series A	6,525,480	6,138,600
119,000	Intact Financial Corporation, 4.20%, Preferred, Series 3	3,090,770	3,085,670
561,300	Intact Financial Corporation, 4.20%, Preferred, Series 1	14,336,601	13,622,751
115,000	Laurentian Bank of Canada, 4.30%, Preferred, Series 13	2,872,700	2,906,050
55,000	Manulife Financial Corporation, 3.80%, Preferred, Series 13	1,354,400	1,382,700

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
65,000	Manulife Financial Corporation, 3.90%, Preferred, Series 15	1,582,891	1,637,350
77,000	Manulife Financial Corporation, 4.00%, Preferred, Series 11	1,940,916	1,990,450
100,000	Manulife Financial Corporation, 4.10%, Preferred, Series 1	2,559,000	2,551,000
53,000	Manulife Financial Corporation, 4.20%, Preferred, Series 3	1,184,550	1,240,200
50,000	Manulife Financial Corporation, 4.40%, Preferred, Series 5	1,307,500	1,297,000
40,000	Manulife Financial Corporation, 4.40%, Preferred, Series 9	1,041,600	1,045,600
100,000	Manulife Financial Corporation, 4.50%, Preferred, Series 3	2,178,243	2,293,000
70,000	Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	1,837,462	1,838,900
95,700	Manulife Financial Corporation, 4.65%, Preferred, Series B	2,274,886	2,244,165
65,000	Manulife Financial Corporation, 5.60%, Preferred, Series 1	1,646,600	1,643,850
105,000	National Bank of Canada, 3.80%, Preferred, Series 28	2,722,250	2,713,200
310,000	National Bank of Canada, 4.10%, Preferred, Series 30	7,750,000	7,932,900
185,300	National Bank of Canada, 4.85%, Preferred, Series L	4,728,427	4,738,121
90,000	National Bank of Canada, 6.00%, Preferred, Series 201	2,360,000	2,397,600
272,000	Power Financial Corporation, 0%, Preferred, Series A	6,037,624	5,491,680
131,000	Power Financial Corporation, 4.20%, Preferred, Series T	3,399,650	3,400,760
100,000	Power Financial Corporation, 4.40%, Preferred, Series P	2,449,829	2,330,000
55,000	Power Financial Corporation, 4.80%, Preferred, Series S	1,253,000	1,311,750
70,000	Power Financial Corporation, 4.95%, Preferred, Series K	1,639,150	1,674,400
25,000	Power Financial Corporation, 5.25%, Preferred, Series E	626,250	626,750
75,000	Power Financial Corporation, 5.50%, Preferred, Series R	1,914,375	1,928,250
126,000	Power Financial Corporation, 6.00%, Preferred, Series 1	3,213,104	3,230,640
75,000	Royal Bank of Canada, 3.90%, Preferred, Series BB	1,875,000	1,899,000
135,000	Royal Bank of Canada, 4.00%, Preferred, Series AZ	3,403,789	3,439,800
85,000	Royal Bank of Canada, 4.45%, Preferred, Series AA	2,169,097	2,173,450
55,000	Royal Bank of Canada, 4.45%, Preferred, Series AF	1,410,560	1,419,550
25,000	Royal Bank of Canada, 4.50%, Preferred, Series AD	641,250	641,250
50,000	Royal Bank of Canada, 4.50%, Preferred, Series AE	1,289,250	1,285,000
25,000	Royal Bank of Canada, 4.50%, Preferred, Series AG	642,750	643,000
85,000	Royal Bank of Canada, 4.90%, Preferred, Series W	2,131,800	2,144,550
115,000	Royal Bank of Canada, 5.00%, Preferred, Series AJ	2,887,536	2,921,000
85,000	Royal Bank of Canada, 5.60%, Preferred, Series AL	2,248,237	2,260,150
150,000	Sun Life Financial Inc. 4.35%, Preferred, Series 8R	3,662,217	3,370,500
140,000	Sun Life Financial Inc. 4.45%, Preferred, Series 3	3,307,000	3,183,600
96,000	Sun Life Financial Inc., 4.25%, Preferred, Series 12R	2,503,597	2,505,600
85,000	Sun Life Financial Inc., 4.45%, Preferred, Series F	1,788,550	1,932,050
115,000	Sun Life Financial Inc., 4.50%, Preferred, Series 5	2,531,078	2,642,700
115,000	Sun Life Financial Inc., 4.75%, Preferred, Series A	2,577,000	2,793,350
35,000	Sun Life Financial Inc., 4.80%, Preferred, Series 2	812,700	860,650
2,100	Sun Life Financial Inc., 6.00%, Preferred, Series 6R	53,193	52,500
60,000	Toronto-Dominion Bank, The 5.00%, Preferred, Series S	1,509,850	1,514,400
113,000	Toronto-Dominion Bank, The 5.10%, Preferred, Series Y	2,876,836	2,886,020
80,000	Toronto-Dominion Bank, The 3.90%, Preferred, Series 1	2,000,000	2,028,800
117,900	Toronto-Dominion Bank, The 4.85%, Preferred, Series O	3,051,949	3,012,345
50,000	Toronto-Dominion Bank, The 5.25%, Preferred, Series P	1,305,496	1,316,500
60,000	Toronto-Dominion Bank, The 5.60%, Preferred, Series Q	1,578,650	1,582,200
95,000	Toronto-Dominion Bank, The 5.60%, Preferred, Series R	2,506,850	2,518,450
85,000	Toronto-Dominion Bank, The 6.25%, Preferred, Series AK	2,168,041	2,159,000
46,000	Toronto-Dominion Bank, The Floating, Preferred, Series T	1,151,109	1,164,950
		228,907,194	226,286,830
Telecommunication Services – 5.8%			
164,700	BCE Inc. 4.35% Pref. Series 17	3,969,940	3,745,278
131,900	BCE Inc. 4.54%, Preferred, Series 16	3,141,210	2,901,800
60,000	BCE Inc. 6.17%, Preferred, Series R	1,311,000	1,346,400
60,000	BCE Inc., 4.15%, Preferred, Series 19	1,319,000	1,332,000
100,000	BCE Inc. 5.45%, Preferred, Series AA	2,105,000	2,134,000
278,000	Bell Aliant Inc., 4.25%, Preferred, Series E	7,234,149	6,513,540
195,000	Bell Aliant Inc., Preferred, Series SA	4,772,413	4,249,050
		23,852,712	22,222,068
Utilities – 11.2%			
100,000	Canadian Utilities Limited, 4.90%, Preferred, Series AA	2,385,000	2,442,000
199,100	Canadian Utilities Limited, 4.00%, Preferred, Series Y	5,159,693	5,158,681
170,000	Canadian Utilities Limited, 4.50%, Preferred, Series CC	4,263,896	3,809,700
95,000	Canadian Utilities Limited, 4.50%, Preferred, Series DD	2,065,700	2,127,050
100,000	Canadian Utilities Limited, 4.90%, Preferred, Series BB	2,385,000	2,459,000
60,000	Emera Inc., 4.10%, Preferred, Series C	1,510,200	1,512,000
50,900	Fortis Inc., 4.90%, Preferred, Series F	1,222,832	1,236,870
30,000	Fortis Inc., 4.75%, Preferred, Series J	717,600	720,600
65,000	Fortis Inc., 3.88%, Preferred, Series G	1,644,500	1,620,450
100,000	Fortis Inc., 4.00%, Preferred, Series K	2,504,000	2,513,000
75,000	Fortis Inc., Preferred, Series H	1,613,500	1,610,250
240,000	TransAlta Corporation, 4.60%, Preferred, Series A	5,190,226	4,586,400
135,000	TransAlta Corporation, 4.60%, Preferred, Series C	3,023,250	2,948,400
175,000	TransAlta Corporation, 5.00%, Preferred, Series E	4,366,000	4,217,500
254,700	Westcoast Energy, 5.50%, Preferred, Series H	6,464,906	6,367,500
		44,516,303	43,329,401
	TOTAL INVESTMENT PORTFOLIO	366,482,454	356,936,303
	OTHER ASSETS, LESS LIABILITIES – 7.5%		28,733,233
	NET ASSETS – 100.0%		385,669,536

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide regular income and the potential for modest long term capital growth. It invests primarily in a diversified portfolio of preferred shares of Canadian corporations.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$356,551,483	$271,080,144
Revaluation of Investments at FVTPL	947,297	516,100
Net assets attributable to holders of redeemable units	$357,498,780	$271,596,244

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(3,228,216)
Revaluation of Investments at FVTPL	441,137
Increase (decrease) in net assets attributable to holders of redeemable units	$(2,787,079)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 92.5% (December 31, 2013 – 97.4%, January 1, 2013 – 96.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $35,693,630 (December 31, 2013 – $34,736,803, January 1, 2013 – $26,045,557). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$4,604,308	$ –	$96,712	$ –	$126,345
Redeemable units	385,669,536	–	357,498,780	–	271,596,244	–
	$385,669,536	$4,604,308	$357,498,780	$96,712	$271,596,244	$126,345

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2014
Energy	13.6	12.5	14.9
Consumer Discretionary	2.1	5.8	6.2
Consumer Staples	1.2	0.7	–
Financials	58.6	59.3	55.2
Telecommunication Services	5.8	6.7	4.8
Utilities	11.2	12.4	15.0

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$356,936,303	$ –	$ –	$356,936,303

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$348,315,329	$ –	$ –	$348,315,329

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$260,971,665	$ –	$ –	$260,971,665

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$6,266,435,121	$5,569,738,797	$4,192,859,658
Unrealized gain on currency forward contracts	20,041,833	115,316	–
Cash	538,473,172	444,524,593	372,065,490
Accrued investment income	16,871,236	13,677,883	13,855,704
Receivable for securities sold	–	1,512,423	617,801
Subscriptions receivable	4,710,419	5,219,518	4,798,405
	6,846,531,781	6,034,788,530	4,584,197,058
LIABILITIES			
Current liabilities			
Distributions payable	1,187,182	1,449	1,472
Redemptions payable	3,430,184	3,144,981	3,351,011
Accrued expenses	5,455,387	–	–
Unrealized loss on currency forward contracts	–	4,258,560	4,913,915
	10,072,753	7,404,990	8,266,398
Net Assets attributable to holders of redeemable units	$6,836,459,028	$6,027,383,540	$4,575,930,660
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$3,617,909,499	$3,293,407,434	$2,798,451,977
Advisor Series Units	$ 43,101,855	$ 39,723,558	$ 34,738,998
Series F Units	$ 13,377,131	$ 10,886,045	$ 10,003,580
Series I Units	$2,190,504,492	$1,869,375,933	$1,260,144,102
Series M Units	$ 971,566,051	$ 813,990,570	$ 472,592,003
UNITS OUTSTANDING			
Series A Units	71,640,869	70,608,111	70,105,814
Advisor Series Units	858,287	856,534	875,361
Series F Units	266,091	234,359	251,706
Series I Units	43,524,987	40,193,453	31,668,083
Series M Units	19,759,225	17,913,683	12,155,549
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 50.50	$ 46.64	$ 39.92
Advisor Series Units	$ 50.22	$ 46.38	$ 39.69
Series F Units	$ 50.27	$ 46.45	$ 39.74
Series I Units	$ 50.33	$ 46.51	$ 39.79
Series M Units	$ 49.17	$ 45.44	$ 38.88

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 89,509,834	$ 68,271,216
Interest for distribution purposes	5,689,018	3,339,425
Capital gains distributions received	518,143	1,533,289
Net realized gain (loss) on non-derivative financial assets	173,268,938	97,357,936
Net realized gain (loss) on currency forwards	(8,140,543)	(17,413,322)
Net gain (loss) foreign exchange	97,672	321,890
Change in unrealized appreciation (depreciation) of non-derivative financial assets	320,236,832	139,206,806
Change in unrealized appreciation (depreciation) of currency forwards	24,185,077	(24,762,625)
Net gain (loss) on investments	605,364,971	267,854,615
Securities lending	70,273	31,545
Other income	17,560	15,290
Total income (loss)	605,452,804	267,901,450
EXPENSES		
Management fees (note 5)	26,463,005	22,259,060
Harmonized Sales Tax/Goods and Services Tax	2,933,466	2,549,472
Audit fees	68,048	57,598
Independent Review Committee fees	9,415	8,521
Custodian fees	32,039	28,583
Filing fees	69,503	70,605
Legal fees	20,156	20,731
Unitholder reporting costs	102,393	94,866
Unitholder administration and service fees	890,744	794,972
Overdraft charges	270	1,028
Foreign withholding taxes/tax reclaims	2,706,838	2,096,618
Transaction costs	1,026,308	1,527,962
Total expenses	34,322,185	29,510,016
Absorbed expenses	–	(132)
Net expenses	34,322,185	29,509,884
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$571,130,619	$238,391,566
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$295,615,884	$135,986,435
Advisor Series Units	$ 3,528,118	$ 1,625,159
Series F Units	$ 1,069,268	$ 523,784
Series I Units	$186,848,509	$ 73,172,739
Series M Units	$ 84,068,840	$ 27,083,449
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 4.14	$ 1.93
Advisor Series Units	$ 4.05	$ 1.86
Series F Units	$ 4.35	$ 2.21
Series I Units	$ 4.51	$ 2.15
Series M Units	$ 4.46	$ 2.01
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	71,375,722	70,432,824
Advisor Series Units	871,204	875,578
Series F Units	245,933	236,584
Series I Units	41,443,860	34,012,033
Series M Units	18,858,624	13,452,288

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Dividend Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$3,293,407,434	$2,798,451,977
Advisor Series Units	39,723,558	34,738,998
Series F Units	10,886,045	10,003,580
Series I Units	1,869,375,933	1,260,144,102
Series M Units	813,990,570	472,592,003
	6,027,383,540	4,575,930,660
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	295,615,884	135,986,435
Advisor Series Units	3,528,118	1,625,159
Series F Units	1,069,268	523,784
Series I Units	186,848,509	73,172,739
Series M Units	84,068,840	27,083,449
	571,130,619	238,391,566
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(19,933,633)	(14,739,749)
Advisor Series Units	(182,187)	(119,894)
Series F Units	(124,153)	(87,886)
Series I Units	(30,278,458)	(20,819,295)
Series M Units	(13,234,465)	(7,774,711)
	(63,752,896)	(43,541,535)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	277,045,391	236,881,228
Advisor Series Units	5,177,110	2,402,440
Series F Units	2,419,534	1,122,615
Series I Units	250,270,944	210,369,600
Series M Units	207,075,041	168,779,407
Reinvested distributions		
Series A Units	19,615,072	14,489,950
Advisor Series Units	163,315	107,765
Series F Units	110,892	74,731
Series I Units	30,278,436	20,736,701
Series M Units	10,933,398	6,228,261
Payments on redemption		
Series A Units	(247,840,649)	(237,056,555)
Advisor Series Units	(5,308,059)	(2,862,156)
Series F Units	(984,455)	(2,374,911)
Series I Units	(115,990,872)	(18,443,570)
Series M Units	(131,267,334)	(60,298,094)
	301,697,764	340,157,412
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	324,502,065	135,561,309
Advisor Series Units	3,378,297	1,153,314
Series F Units	2,491,086	(741,667)
Series I Units	321,128,559	265,016,175
Series M Units	157,575,481	134,018,312
	809,075,488	535,007,443
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	3,617,909,499	2,934,013,286
Advisor Series Units	43,101,855	35,892,312
Series F Units	13,377,131	9,261,913
Series I Units	2,190,504,492	1,525,160,277
Series M Units	971,566,051	606,610,315
	$6,836,459,028	$5,110,938,103

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 571,130,619	$ 238,391,566
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(173,268,938)	(97,357,936)
Net realized gain (loss) foreign exchange on cash	(97,672)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(320,236,832)	(139,206,806)
Change in unrealized appreciation (depreciation) of forward currency contracts	(24,185,077)	24,762,625
Purchases of non-derivative financial assets	(925,974,541)	(1,041,225,894)
Proceeds from sale of non-derivative financial assets	723,270,100	879,027,398
Transaction costs	1,026,308	1,527,962
Accrued investment income	(3,193,353)	(921,406)
Accrued expenses	5,455,387	4,046,000
Net cash provided by (used in) operating activities	(146,073,999)	(130,956,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	742,497,120	615,975,778
Amounts paid on redemption of redeemable units	(501,106,165)	(318,578,182)
Distributions to unitholders of redeemable units	(1,466,049)	(962,785)
Net cash provided by (used in) financing activities	239,924,906	296,434,811
Net gain (loss) foreign exchange on cash	97,672	321,890
Net increase (decrease) in cash	93,850,907	165,478,320
Cash at beginning of period	444,524,593	372,065,490
CASH AT END OF PERIOD	$ 538,473,172	$ 537,865,700
Interest received(1)	5,619,521	3,222,495
Dividends received, net of withholding taxes(1)	83,679,141	64,798,230

(1) Classified as operating items.

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

Scotia Canadian Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.7%			
CANADIAN EQUITIES – 70.7%			
Energy – 20.9%			
1,155,174	Baytex Energy Corporation	56,657,249	56,892,320
3,435,000	Canadian Natural Resources Ltd.	120,177,927	168,418,050
1,590,000	Cenovus Energy Inc.	53,569,131	54,998,100
3,051,135	Crescent Point Energy Corp.	132,345,255	144,288,174
3,941,185	Enbridge Inc.	134,049,638	199,542,197
2,216,215	Gibson Energy Inc.	39,471,405	75,439,959
2,594,495	Pembina Pipeline Corporation	71,895,965	119,113,265
11,586,241	Pengrowth Energy Corp.	113,070,554	88,634,744
5,209,288	Suncor Energy, Inc.	179,085,169	237,022,604
4,498,601	TransCanada Corporation	1,182,057,408	229,113,749
719,975	Vermilion Energy, Inc.	35,097,531	53,458,144
		2,117,477,232	1,426,921,306
Materials – 3.3%			
1,176,000	Agrium Inc.	123,590,780	114,954,000
2,426,828	Canexus Corp.	15,397,341	11,891,457
2,485,000	Potash Corporation of Saskatchewan Inc.	93,300,895	100,841,300
		232,289,016	227,686,757
Industrials – 2.7%			
2,641,580	Canadian National Railway Company	91,051,269	183,325,652
Consumer Discretionary – 3.1%			
970,000	Magna International Inc.	91,454,939	111,414,200
1,685,800	Tim Hortons, Inc.	84,522,610	98,400,146
		175,977,549	209,814,346
Consumer Staples – 4.3%			
2,760,000	Alimentation Couche-Tard Inc., Class B	28,410,834	80,674,800
1,491,200	Empire Company Limited, Class A	109,434,330	108,201,472
2,200,089	Loblaw Companies Limited	102,964,165	104,768,238
		240,809,329	293,644,510
Financials – 27.8%			
3,916,530	Bank of Nova Scotia, The	1,189,173,449	278,621,944
4,993,980	Brookfield Asset Management Inc., Class A	135,107,465	234,767,000
5,606,701	Brookfield Property Partners LP	116,548,461	124,973,365
1,487,340	CI Financial Corporation	46,999,944	52,131,267
949,853	Dundee Real Estate Investment Trust	31,358,789	27,821,194
1,209,727	First Capital Realty, Inc.	14,867,423	22,525,117
3,635,100	Great-West Lifeco Inc.	97,497,051	109,707,318
979,028	H&R Real Estate Investment Trust	21,793,876	22,674,288
1,071,239	Intact Financial Corporation	55,047,804	78,821,766
4,893,600	Manulife Financial Corporation	87,818,725	103,793,256
5,320,300	Power Corporation of Canada	154,098,627	157,746,895
2,500,000	RioCan Real Estate Investment Trust	63,173,788	68,275,000
3,127,700	Royal Bank of Canada	207,712,221	238,580,955
1,950,600	Sun Life Financial Inc.	68,581,617	76,502,532
5,650,000	Toronto-Dominion Bank, The	191,181,136	310,354,500
		2,480,960,376	1,907,296,397
EQUITIES (con't)			
CANADIAN EQUITIES (con't)			
Telecommunication Services – 6.2%			
2,214,000	BCE Inc.	83,114,510	107,157,600
2,620,000	Rogers Communications, Inc., Class B	104,934,607	112,502,800
5,053,400	TELUS Corporation	133,602,904	200,973,718
		321,652,021	420,634,118
Utilities – 2.4%			
2,306,557	Brookfield Infrastructure Partners LP	60,359,068	102,710,983
143,920	Brookfield Renew Energy Partners LP	3,577,703	4,539,237
1,660,777	Fortis, Inc.	50,150,778	53,925,429
		114,087,549	161,175,649
	TOTAL CANADIAN EQUITIES	5,774,304,341	4,830,498,735
UNITED STATES – 21.0%			
Materials – 1.5%			
986,600	LyondellBasell Industries NV, Class A	62,296,679	102,766,009
Industrials – 4.0%			
758,300	Honeywell International Inc.	56,973,377	75,175,526
958,200	Union Pacific Corporation	68,908,523	101,969,883
880,000	United Parcel Service, Inc., Class B	74,050,995	96,379,969
		199,932,895	273,525,378
Consumer Discretionary – 7.1%			
1,290,800	CBS Corporation, Class B	42,278,878	85,572,270
3,751,500	Comcast Corporation, Class A	96,821,282	214,842,554
926,465	Starwood Hotels & Resorts Worldwide, Inc.	51,392,967	79,882,328
1,125,000	Walt Disney Company, The	98,767,904	102,905,563
		289,261,031	483,202,715
Health Care – 0.6%			
390,633	Johnson & Johnson	39,840,797	43,585,414
Financials – 2.8%			
290,000	Simon Property Group, Inc.	45,307,273	51,444,727
2,540,300	Wells Fargo & Company	85,573,918	142,403,038
		130,881,191	193,847,765
Information Technology – 1.8%			
535,000	Visa Inc.	62,557,941	120,265,699
Telecommunication Services – 1.7%			
2,163,794	Verizon Communications Inc.	110,442,325	112,894,303
Utilities – 1.5%			
2,099,600	Northeast Utilities	74,426,391	105,849,103
	TOTAL UNITED STATES EQUITIES	969,639,250	1,435,936,386
	TOTAL INVESTMENT PORTFOLIO	6,743,943,591	6,266,435,121
	Currency Forward Contracts – 0.3%		20,041,833
	OTHER ASSETS, LESS LIABILITIES – 8.0%		549,982,074
	NET ASSETS – 100.0%		6,836,459,028

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	556,426,536	U.S. Dollar	510,640,000	545,060,575	11,365,960
Aug. 14, 2014	Canadian Dollar	470,745,391	U.S. Dollar	432,571,000	462,069,518	8,675,873
						20,041,833

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$6,023,499,587	$4,568,525,388
Revaluation of Investments at FVTPL	3,883,953	7,405,272
Net assets attributable to holders of redeemable units	$6,027,383,540	$4,575,930,660

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$237,508,970
Revaluation of Investments at FVTPL	882,596
Increase (decrease) in net assets attributable to holders of redeemable units	$238,391,566

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	430,595,157	6.3	43,059,516	0.6
Total	430,595,157	6.3	43,059,516	0.6

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	1,209,005,008	20.1	120,900,501	2.0
Total	1,209,005,008	20.1	120,900,501	2.0

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	586,029,919	12.8	58,602,992	1.3
Total	586,029,919	12.8	58,602,992	1.3

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 91.7% (December 31, 2013 – 92.4%, January 1, 2013 – 91.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $626,643,512 (December 31, 2013 – $556,585,484, January 1, 2013 – $418,545,439). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$10,072,753	$ –	$3,146,340	$ –	$3,352,483
Unrealized loss on currency forward contracts	–	–	–	4,258,560	–	4,913,915
Redeemable units	6,836,459,028	–	6,027,383,540	–	4,575,930,660	–
	$6,836,459,028	$10,072,753	$6,027,383,540	$7,404,900	$4,575,930,660	$8,266,398

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	20.9	19.8	23.7
Materials	3.3	2.2	2.0
Industrials	2.7	3.1	2.9
Consumer Discretionary	3.1	1.8	1.7
Consumer Staples	4.3	4.0	1.4
Financials	27.8	26.6	24.5
Telecommunication	6.2	6.9	5.8
Utilities	2.4	1.4	1.7
United States Equities			
Energy	–	–	0.9
Materials	1.5	2.1	–
Industrials	4.0	4.5	–
Consumer Discretionary	7.1	6.5	9.5
Consumer Staples	–	–	1.5
Health Care	0.6	1.5	1.5
Financials	2.8	3.9	2.9
Information Technology	1.8	2.1	2.7
Telecommunication	1.7	1.9	1.8
Utilities	1.5	4.1	7.1
Currency Forward Contracts	0.3	(0.1)	(0.1)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$6,266,435,121	$ –	$ –	$6,266,435,121
Currency Forward Contracts – Assets	–	20,041,833	–	20,041,833
	$6,266,435,121	$20,041,833	$ –	$6,286,476,954

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$5,569,738,797	$ –	$ –	$5,569,738,797
Currency Forward Contracts – Assets	–	115,316	–	115,316
	5,569,738,797	115,316	–	5,569,854,113
Currency Forward Contracts – Liabilities	–	(4,258,560)	–	(4,258,560)
	$5,569,738,797	$(4,143,244)	–	$5,565,595,553

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$4,193,124,398	$ –	$ –	$4,193,124,398
Options (Written Put)	(264,740)	–	–	(264,740)
	4,192,859,658	–	–	4,192,859,658
Currency Forward Contracts – Liabilities	–	(4,913,915)	–	(4,913,915)
	$4,192,859,658	$(4,913,915)	$ 0	$4,187,945,743

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Blue Chip Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$254,030,533	$245,814,958	$241,830,742
Commodities	–	–	4,021,343
Unrealized gain on currency forward contracts	426,550	10,616	–
Unrealized gain on swap contracts	550,003	1,278,863	–
Cash	5,522,982	9,120,407	1,373,368
Accrued investment income	455,116	353,687	576,218
Receivable for securities sold	–	–	451,799
Subscriptions receivable	55,283	33,132	27,882
Margin deposited on futures	401,147	346,043	3,081,684
	261,441,614	256,957,706	251,363,036
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,356,715	6,683	642,694
Distributions payable	–	2,763	5
Redemptions payable	121,544	148,161	104,904
Accrued expenses	475,010	–	–
Unrealized loss on currency forward contracts	–	320,596	91,043
	1,953,269	478,203	838,646
Net Assets attributable to holders of redeemable units	$259,488,345	$256,479,503	$250,524,390
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$259,220,288	$256,342,591	$242,350,867
Series F Units	$ 30,519	$ 3,724	$ 3,053
Series I Units	$ 237,538	$ 133,188	$ 8,170,470
UNITS OUTSTANDING			
Series A Units	8,788,089	9,263,908	10,338,088
Series F Units	994	130	129
Series I Units	6,700	4,046	300,588
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 29.50	$ 27.67	$ 23.44
Series F Units	$ 30.72	$ 28.65	$ 23.72
Series I Units	$ 35.45	$ 32.92	$ 27.18

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,781,669	$ 2,576,849
Interest for distribution purposes	(2,951)	107,498
Capital gains distributions received	(13,176)	135,553
Net realized gain (loss) on non-derivative financial assets	16,038,593	2,004,879
Net realized gain (loss) on futures contracts	(1,030,817)	(774,462)
Net realized gain (loss) on currency forwards	(740,204)	(1,379,584)
Net realized gain (loss) on swap contracts	1,710,597	1,619,861
Net gain (loss) foreign exchange	75,116	232,863
Change in unrealized appreciation (depreciation) of non-derivative financial assets	457,059	9,192,094
Change in unrealized appreciation (depreciation) of currency forwards	736,530	(788,280)
Change in unrealized appreciation (depreciation) of swap contracts	(728,860)	(322,282)
Net gain (loss) on investments	19,283,556	12,604,989
Securities lending	3,375	3,314
Other income	1,369	3,444
Total income (loss)	19,288,300	12,611,747
EXPENSES		
Management fees (note 5)	2,346,245	2,176,675
Harmonized Sales Tax/Goods and Services Tax	269,775	258,704
Audit fees	3,168	2,936
Independent Review Committee fees	378	427
Custodian fees	3,512	4,132
Filing fees	16,954	11,989
Legal fees	805	1,044
Unitholder reporting costs	14,820	14,410
Unitholder administration and service fees	89,973	104,465
Overdraft charges	55	1,106
Foreign withholding taxes/tax reclaims	71,826	40,898
Transaction costs	112,164	188,870
Total expenses	2,929,675	2,805,656
Absorbed expenses	(8,012)	(1,651)
Net expenses	2,921,663	2,804,005
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$16,366,637	$ 9,807,742
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$16,349,289	$ 9,411,217
Series F Units	$ 2,634	$ 410
Series I Units	$ 14,714	$ 396,115
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.81	$ 0.94
Series F Units	$ 3.11	$ 0.67
Series I Units	$ 2.77	$ 1.40
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	9,017,575	9,988,420
Series F Units	847	616
Series I Units	5,308	282,189

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$256,342,591	$242,350,867
Series F Units	3,724	3,053
Series I Units	133,188	8,170,470
	256,479,503	250,524,390
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	16,349,289	9,411,217
Series F Units	2,634	410
Series I Units	14,714	396,115
	16,366,637	9,807,742
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	5,473,628	3,795,467
Series F Units	28,777	138,000
Series I Units	142,087	52,135
Payments on redemption		
Series A Units	(18,945,220)	(20,895,583)
Series F Units	(4,616)	(138,281)
Series I Units	(52,451)	(1,090,028)
	(13,357,795)	(18,138,290)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	2,877,697	(7,688,899)
Series F Units	26,795	129
Series I Units	104,350	(641,778)
	3,008,842	(8,330,548)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	259,220,288	234,661,968
Series F Units	30,519	3,182
Series I Units	237,538	7,528,692
	$259,488,345	$242,193,842

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 16,366,637	$ 9,807,742
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(16,038,593)	(2,004,879)
Net realized gain (loss) foreign exchange on cash	(75,116)	(232,863)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(457,059)	(9,192,094)
Change in unrealized appreciation (depreciation) of forward currency contracts	(736,530)	788,280
Change in unrealized appreciation (depreciation) of swap contracts	728,860	322,282
Purchases of non-derivative financial assets	(50,928,769)	(57,385,799)
Proceeds from sale of non-derivative financial assets	60,447,512	85,837,209
Transaction costs	111,367	184,103
Accrued investment income	(101,429)	22,333
Accrued expenses	475,010	394,942
Change in margin accounts for futures contracts	(55,104)	(1,269,821)
Net cash provided by (used in) operating activities	9,736,786	27,271,435
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	5,622,339	4,004,109
Amounts paid on redemption of redeemable units	(19,028,905)	(22,139,605)
Distributions to unitholders of redeemable units	(2,761)	(5)
Net cash provided by (used in) financing activities	(13,409,327)	(18,135,501)
Net gain (loss) foreign exchange on cash	75,116	232,863
Net increase (decrease) in cash	(3,672,541)	9,135,934
Cash at beginning of period	9,120,407	1,373,368
CASH AT END OF PERIOD	$ 5,522,982	$ 10,742,165
Interest received(1)	–	106,420
Dividends received, net of withholding taxes(1)	2,605,463	2,559,363

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.8%			
CANADIAN EQUITIES – 70.4%			
Energy – 17.5%			
161,700	Cameco Corporation	3,877,725	3,384,381
350,000	Canadian Energy Services & Technology Corporation	5,632,596	11,697,000
160,000	Cenovus Energy Inc.	5,259,046	5,534,400
59,200	Suncor Energy, Inc.	2,747,882	2,693,600
239,750	TransCanada Corporation	8,453,538	12,210,468
341,200	Trilogy Energy Corporation	9,528,953	9,963,040
		35,499,740	45,482,889
Materials – 2.5%			
124,000	West Fraser Timber Co., Ltd.	5,184,324	6,412,040
Industrials – 9.5%			
967,700	Air Canada, Class B	7,538,898	9,222,181
220,540	Canadian National Railway Company	4,363,624	15,305,476
		11,902,522	24,527,657
Consumer Discretionary – 7.5%			
91,100	Dollarama Inc.	5,682,481	8,003,135
53,800	Magna International Inc.	5,131,968	6,179,468
300,000	Whistler Blackcomb Holdings Inc.	4,162,104	5,322,000
		14,976,553	19,504,603
Consumer Staples – 2.0%			
108,800	Loblaw Companies Limited	5,156,829	5,181,056
Health Care – 2.0%			
38,800	Valeant Pharmaceuticals International, Inc.	4,563,550	5,235,672
Financials – 25.1%			
217,000	Bank of Nova Scotia, The	11,037,219	15,437,380
474,000	Element Financial Corp.	6,389,009	6,389,520
100,000	Element Financial Corp. Subscription Receipts	1,275,000	1,341,000
377,000	Manulife Financial Corporation	7,955,037	7,996,170
222,000	Royal Bank of Canada	9,544,474	16,934,160
309,596	Toronto-Dominion Bank, The	8,147,791	17,006,109
		44,348,530	65,104,339
Telecommunication Services – 4.3%			
120,000	Rogers Communications, Inc., Class B	5,196,311	5,152,800
153,800	TELUS Corporation	4,603,696	6,116,626
		9,800,007	11,269,426
	TOTAL CANADIAN EQUITIES	131,432,055	182,717,682
FOREIGN EQUITIES – 27.4%			
United States – 25.6%			
Industrials – 4.2%			
61,000	Danaher Corporation	3,153,501	5,122,272
196,200	Hertz Global Holdings, Inc.	4,589,925	5,870,259
		7,743,426	10,992,531
Consumer Discretionary – 5.6%			
57,100	Starwood Hotels & Resorts Worldwide, Inc.	3,045,031	4,923,317
75,200	TJX Companies, Inc., The	3,090,826	4,264,066
57,100	Walt Disney Company, The	2,891,275	5,223,029
		9,027,132	14,410,412
Consumer Staples – 1.9%			
41,000	Costco Wholesale Corporation	3,709,588	5,037,190
Financials – 5.3%			
139,300	American International Group, Inc.	7,347,586	8,111,245
110,500	Citigroup Inc.	4,380,930	5,552,468
		11,728,516	13,663,713
Information Technology – 8.6%			
6,600	Google Inc. Class A	4,299,448	4,116,779
6,700	Google Inc. Class C	57,888	4,112,036

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Information Technology (cont'd)			
319,300	Microsoft Corporation	8,833,273	14,204,888
		13,190,609	22,433,703
	TOTAL UNITED STATES EQUITIES	45,399,271	66,537,549
United Kingdom – 1.8%			
3,520,000	Lloyds Banking Group PLC	5,277,945	4,775,302
	TOTAL FOREIGN EQUITIES	50,677,216	71,312,851
	TOTAL INVESTMENT PORTFOLIO	182,109,271	254,030,533
	Currency Forward Contracts – 0.2%		426,550
	Futures Contracts – 0.2%		401,147
	Swap Contracts – 0.2%		550,003
	OTHER ASSETS, LESS LIABILITIES – 1.6%		4,080,112
	NET ASSETS – 100.0%		259,488,345

INDEX FUTURES CONTRACTS

Note: As at June 30, 2014, the Scotia Canadian Blue Chip Fund held 50 futures contracts to purchase/sell the S&P 500 Composite Stock Index E-Mini and held 40 futures contracts to purchase/sell the S&P/TSX 60 Index for settlement in September 2014.

These futures contracts are financial agreements to purchase/sell the S&P 500 Composite Stock Index and S&P/TSX 60 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase/sell the S&P 500 Composite Stock Index and S&P/TSX 60 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
	S&P 500 Composite Stock Index			
(50)	E-Mini Futures Contracts – Sep. 2014	(5,198,220)	(5,207,289)	(9,068)
	S&P/TSX 60 Index			
(40)	Futures Contracts – Sep. 2014	(6,841,280)	(6,909,600)	(68,320)
				(77,388)

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	10,807,888	U.S. Dollar	9,921,000	10,589,742	218,146
Jul. 17, 2014	Canadian Dollar	10,202,533	U.S. Dollar	9,363,000	9,994,129	208,404
						426,550

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A by Standard & Poor's.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Blackstone Group, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
52,000	Dec. 04, 2014	1,616,160	0.55%	130,237
167,600	Dec. 05, 2014	5,209,008	0.55%	419,766
				550,003

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$256,273,352	$250,029,861
Revaluation of Investments at FVTPL	206,151	494,529
Net assets attributable to holders of redeemable units	$256,479,503	$250,524,390

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$9,888,165
Revaluation of Investments at FVTPL	(80,423)
Increase (decrease) in net assets attributable to holders of redeemable units	$9,807,742

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	49,617,438	19.1	4,961,744	1.9
British Pound	4,775,315	1.8	477,532	0.2
Total	54,392,753	20.9	5,439,276	2.1

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
British Pound	(11,025)	(0.0)	(1,103)	(0.0)
US Dollar	54,738,091	21.3	5,473,809	2.1
Total	54,727,066	21.3	5,472,707	2.1

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	60,001,035	24.0	6,000,104	2.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.1% (December 31, 2013 – 100.1%, January 1, 2013 – 98.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $25,403,053 (December 31, 2013 – $25,665,511, January 1, 2013 – $24,535,756). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,953,269	$ –	$157,607	$ –	$747,603
Unrealized loss on currency forward contracts	–	–	–	320,596	–	91,043
Redeemable units	259,488,345	–	256,479,503	–	250,524,390	–
	$259,488,345	$1,953,269	$256,479,503	$478,203	$250,524,390	$838,646

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	17.5	13.9	15.4
Materials	2.5	3.1	5.6
Industrials	9.5	7.9	5.2
Consumer Discretionary	7.5	7.9	2.1
Consumer Staples	2.0	4.4	6.4
Health Care	2.0	2.1	–
Financials	25.1	25.0	26.8
Information Technology	–	–	2.3
Telecommunication	4.3	2.2	5.7
Foreign Equities			
United States Equities			
Industrials	4.2	5.2	1.4
Consumer Discretionary	5.6	7.4	5.8
Consumer Staples	1.9	4.6	2.2
Health Care	–	–	2.0
Financials	5.3	3.7	3.1
Information Technology	8.6	8.4	12.5
Commodities	–	–	1.6
United Kingdom	1.8	–	–
Currency Forward Contracts	0.2	(0.1)	0.0
Futures Contracts	0.2	0.1	1.2
Swap Contracts	0.2	0.5	–

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$249,255,231	$4,775,302	$ –	$254,030,533
Currency Forward Contracts–Assets	–	426,550	–	426,550
Swap Contracts–Assets	550,003	–	–	550,003
	249,805,234	5,201,852	–	255,007,086
Futures (Short)	(77,388)	–	–	(77,388)
	$249,727,846	$5,201,852	$ –	$254,929,698

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$245,814,958	$ –	$ –	$245,814,958
Currency Forward Contracts–Assets	–	10,616	–	10,616
Swap Contracts–Assets	1,278,863	–	–	1,278,863
	247,093,821	10,616	–	247,104,437
Futures (Short)	(273,956)	–	–	(273,956)
Currency Forward Contracts–Liabilities	–	(320,596)	–	(320,596)
	$246,819,865	$ (309,980)	$ –	$246,509,885

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$241,830,742	$ –	$ –	$241,830,742
Commodities	4,021,343			$ 4,021,343
	245,852,085	–	–	245,852,085
Currency Forward Contracts–Liabilities	–	(91,043)	–	(91,043)
Futures Contracts (Short)	(236,974)	–	–	(236,974)
	$245,615,111	$ (91,043)	$ –	$245,524,068

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private Canadian Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$874,610,214	$777,940,519	$551,856,013
Cash	38,206,091	41,233,833	5,588,134
Accrued investment income	2,357,339	1,770,056	1,530,787
Receivable for securities sold	–	–	7,482,442
Subscriptions receivable	1,013,702	1,863,512	508,264
	916,187,346	822,807,920	566,965,640
LIABILITIES			
Current liabilities			
Payable for securities purchased	5,343,000	–	–
Redemptions payable	336,452	719,321	1,193,041
Accrued expenses	51,342	–	–
	5,730,794	719,321	1,193,041
Net Assets attributable to holders of redeemable units	$910,456,552	$822,088,599	$565,772,599
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$525,195,699	$451,154,189	$257,093,364
Series M Units	$385,260,853	$370,934,410	$308,679,235
UNITS OUTSTANDING			
Series I Units	38,380,521	36,782,564	23,321,758
Series M Units	28,174,235	30,246,826	27,996,290
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 13.68	$ 12.27	$ 11.02
Series M Units	$ 13.67	$ 12.26	$ 11.02

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$12,424,773	$ 9,498,499
Interest for distribution purposes	148,276	100,117
Net realized gain (loss) on non-derivative financial assets	17,166,383	2,139,878
Net gain (loss) foreign exchange	–	386
Change in unrealized appreciation (depreciation) of non-derivative financial assets	62,159,947	(15,168,969)
Net gain (loss) on investments	91,899,379	(3,430,089)
Securities lending	47,891	39,571
Total income (loss)	91,947,270	(3,390,518)
EXPENSES		
Management fees (note 5)	186,793	156,290
Harmonized Sales Tax/Goods and Services Tax	24,202	20,518
Audit fees	9,036	7,281
Independent Review Committee fees	1,248	1,072
Custodian fees	4,832	5,719
Filing fees	7,041	7,898
Legal fees	2,669	2,658
Unitholder reporting costs	4,195	5,181
Unitholder administration and service fees	55,549	32,333
Transaction costs	215,560	273,221
Total expenses	511,125	512,171
Absorbed expenses	–	(16)
Net expenses	511,125	512,155
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$91,436,145	$ (3,902,673)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$50,417,187	$ (2,510,655)
Series M Units	$41,018,958	$ (1,392,018)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 1.39	$ (0.09)
Series M Units	$ 1.40	$ (0.05)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	36,402,225	27,256,720
Series M Units	29,282,992	28,440,631

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private Canadian Equity Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$451,154,189	$257,093,364
Series M Units	370,934,410	308,679,235
	822,088,599	565,772,599
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	50,417,187	(2,510,655)
Series M Units	41,018,958	(1,392,018)
	91,436,145	(3,902,673)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	81,678,057	94,312,434
Series M Units	46,853,703	79,760,626
Payments on redemption		
Series I Units	(58,053,734)	(1,984,000)
Series M Units	(73,546,218)	(56,515,804)
	(3,068,192)	115,573,256
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	74,041,510	89,817,779
Series M Units	14,326,443	21,852,804
	88,367,953	111,670,583
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	525,195,699	346,911,143
Series M Units	385,260,853	330,532,039
	$910,456,552	$677,443,182

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 91,436,145	$ (3,902,673)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(17,166,383)	(2,139,878)
Net realized gain (loss) foreign exchange on cash	–	(386)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(62,159,947)	15,168,969
Purchases of non-derivative financial assets	(86,680,577)	(155,965,929)
Proceeds from sale of non-derivative financial assets	74,464,651	48,808,351
Transaction costs	215,560	273,221
Accrued investment income	(587,283)	(329,266)
Accrued expenses	51,342	40,141
Net cash provided by (used in) operating activities	(426,492)	(98,047,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	129,381,571	171,058,559
Amounts paid on redemption of redeemable units	(131,982,821)	(59,197,019)
Net cash provided by (used in) financing activities	(2,601,250)	111,861,540
Net gain (loss) foreign exchange on cash	–	386
Net increase (decrease) in cash	(3,027,742)	13,814,090
Cash at beginning of period	41,233,833	5,588,134
CASH AT END OF PERIOD	$ 38,206,091	$ 19,402,610
Interest received(1)	151,649	96,720
Dividends received, net of withholding taxes(1)	11,834,116	9,172,631

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 96.1%			
Energy – 23.3%			
340,600	ARC Resources Ltd.	8,573,506	11,066,094
195,000	Baytex Energy Corporation	8,081,563	9,603,750
527,670	Canadian Natural Resources Ltd.	18,323,836	25,871,660
626,094	Cenovus Energy Inc.	20,481,999	21,656,591
308,090	Crescent Point Energy Corp.	12,634,044	14,569,576
499,120	Enbridge Inc.	17,114,980	25,270,446
380,654	EnCana Corporation	8,481,711	9,622,933
115,554	Imperial Oil Ltd.	4,733,906	6,497,601
127,300	ShawCor Ltd.	5,100,544	7,553,982
788,798	Suncor Energy, Inc.	27,541,128	35,890,309
847,917	Talisman Energy Inc.	12,180,812	9,564,504
419,750	TransCanada Corporation	17,637,080	21,377,868
175,800	Vermilion Energy, Inc.	8,375,839	13,053,150
		169,260,948	211,598,464
Materials – 10.3%			
122,100	Agnico-Eagle Mines Limited	4,178,871	4,989,006
117,850	Agrium Inc.	9,622,659	11,519,838
1,062,730	Eldorado Gold Corporation	12,115,286	8,671,877
557,915	First Quantum Minerals Ltd.	12,419,950	12,731,620
690,599	Goldcorp, Inc.	25,829,715	20,566,038
293,383	Potash Corporation of Saskatchewan Inc.	11,887,773	11,905,482
514,440	Teck Resources Ltd., Class B	16,952,694	12,531,758
1,266,320	Yamana Gold Inc.	15,661,277	11,118,290
		108,668,225	94,033,909
Industrials – 6.7%			
140,100	Black Diamond Group Ltd.	2,896,832	4,808,232
446,690	Canadian National Railway Company	15,537,232	31,000,286
306,380	Finning International Inc.	7,569,452	9,142,379
220,300	Russel Metals Inc.	5,844,744	7,558,493
338,400	WestJet Airlines Ltd.	8,444,736	8,866,080
		40,292,996	61,375,470
Consumer Discretionary – 9.1%			
203,458	Aimia Inc	2,770,420	3,800,595
68,500	AutoCanada Inc.	5,343,000	5,413,555
174,580	Canadian Tire Corporation, Limited, Class A	11,083,789	17,871,755
128,490	Cogeco Cable Inc.	5,363,728	7,592,474
145,372	Magna International Inc.	5,608,728	16,697,428
573,700	Shaw Communications, Inc., Class B	13,184,591	15,696,432
405,208	Thomson Reuters Corporation	13,583,072	15,742,331
		56,937,328	82,814,570
Consumer Staples – 4.6%			
156,900	Alimentation Couche-Tard Inc., Class B	1,588,478	4,586,187
397,200	Loblaw Companies Limited	16,844,977	18,914,664
279,760	Saputo Inc.	11,638,946	17,885,057
		30,072,401	41,385,908
Health Care – 3.2%			
218,800	Catamaron Corporation	11,439,710	10,309,856
142,640	Valeant Pharmaceuticals International, Inc.	12,712,218	19,247,842
		24,151,928	29,557,698
Financials – 31.9%			
292,441	Bank of Montreal	18,098,274	22,980,014
576,775	Bank of Nova Scotia, The	30,163,095	41,031,774
270,700	Brookfield Asset Management Inc., Class A	8,698,407	12,725,607
259,690	Canadian Imperial Bank of Commerce	19,666,072	25,215,899
304,960	Great-West Lifeco Inc.	8,423,365	9,203,693
230,085	Intact Financial Corporation	12,099,833	16,929,654
12,734	iShares S&P/TSX 60 Index ETF, Put Options, $21.00, Aug. 16, 2014	191,010	120,973
16,583	iShares S&P/TSX 60 Index ETF, Put Options, $21.50, Aug.16, 2014	439,450	290,203
868,196	Manulife Financial Corporation	13,435,143	18,414,437
253,200	National Bank of Canada	9,743,373	11,459,832

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
369,688	Power Corporation of Canada	10,734,898	10,961,249
704,713	Royal Bank of Canada	39,528,354	53,755,508
420,843	Sun Life Financial Inc.	14,864,273	16,505,462
919,700	Toronto-Dominion Bank, The	34,565,753	50,519,119
		220,651,300	290,113,424
Information Technology – 1.2%			
282,843	CGI Group Inc., Class A	8,197,549	10,697,122
Telecommunication Services – 5.5%			
365,404	BCE Inc.	14,329,083	17,685,554
135,500	Manitoba Telecom Services Inc.	4,002,315	4,192,370
320,790	Rogers Communications, Inc., Class B	12,480,156	13,774,723
360,860	TELUS Corporation	9,955,235	14,351,402
		40,766,789	50,004,049
Utilities – 0.3%			
75,740	Canadian Utilities Limited, Class A	2,168,835	3,029,600
	TOTAL INVESTMENT PORTFOLIO	701,168,299	874,610,214
	OTHER ASSETS, LESS LIABILITIES – 3.9%		35,846,338
	NET ASSETS – 100.0%		910,456,552

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$821,442,403	$564,767,162
Revaluation of Investments at FVTPL	646,196	1,005,437
Net assets attributable to holders of redeemable units	$822,088,599	$565,772,599

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(4,193,180)
Revaluation of Investments at FVTPL	290,507
Increase (decrease) in net assets attributable to holders of redeemable units	$(3,902,673)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 96.1% (December 31, 2013 – 94.6%, January 1, 2013 – 97.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $87,461,021 (December 31, 2013 – $77,729,432, January 1, 2013 – $55,085,058). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$5,730,794	$ –	$719,321	$ –	$1,193,041
Redeemable units	910,456,552	–	822,088,599	–	565,772,599	–
	$910,456,552	$5,730,794	$822,088,599	$719,321	$565,772,599	$1,193,041

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Private Canadian Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Energy	23.3	21.8	22.7
Materials	10.3	7.8	15.9
Industrials	6.7	7.8	5.6
Consumer Discretionary	9.1	8.7	9.0
Consumer Staples	4.6	4.6	4.8
Health Care	3.2	4.0	1.1
Financials	31.9	32.3	29.7
Information Technology	1.2	0.9	1.4
Telecommunication Services	5.5	6.4	6.3
Utilities	0.3	0.3	1.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$874,199,038	$ –	$ –	$874,199,038
Options	411,176	–	–	411,176
	$874,610,214	$ –	$ –	$874,610,214

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$777,940,519	$ –	$ –	$777,940,519

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$551,856,013	$ –	$ –	$551,856,013

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Growth Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$401,290,330	$392,935,913	$365,915,415
Cash	6,172,295	1,432,590	2,830,678
Accrued investment income	529,167	477,674	697,719
Receivable for securities sold	–	1,045,904	–
Subscriptions receivable	57,864	129,355	66,362
	408,049,656	396,021,436	369,510,174
LIABILITIES			
Current liabilities			
Payable for securities purchased	5,986,000	–	–
Redemptions payable	162,056	329,197	390,906
Accrued expenses	618,604	–	–
Unrealized loss on currency forward contracts	–	–	521,796
	6,766,660	329,197	912,702
Net Assets attributable to holders of redeemable units	$401,282,996	$395,692,239	$368,597,472
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$335,118,960	$337,224,971	$318,068,522
Advisor Series Units	$ 291,297	$ 314,179	$ 311,239
Series F Units	$ 183,463	$ 75,319	$ 19,719
Series I Units	$ 65,689,276	$ 58,077,770	$ 50,197,992
UNITS OUTSTANDING			
Series A Units	5,244,482	5,565,002	6,304,939
Advisor Series Units	4,650	5,276	6,251
Series F Units	2,689	1,168	370
Series I Units	831,504	783,397	831,130
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 63.90	$ 60.60	$ 50.45
Advisor Series Units	$ 62.64	$ 59.54	$ 49.79
Series F Units	$ 68.23	$ 64.51	$ 53.31
Series I Units	$ 79.00	$ 74.14	$ 60.40

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 3,512,805	$ 4,306,376
Interest for distribution purposes	7,132	1,048
Net realized gain (loss) on non-derivative financial assets	26,836,266	10,017,097
Net realized gain (loss) on currency forwards	–	(2,354,539)
Net gain (loss) foreign exchange	(216,600)	36,163
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(4,125,460)	(1,640,237)
Change in unrealized appreciation (depreciation) of currency forwards	–	521,796
Net gain (loss) on investments	26,014,143	10,887,704
Securities lending	54,072	18,356
Other income	894	1,170
Total income (loss)	26,069,109	10,907,230
EXPENSES		
Management fees (note 5)	3,082,246	2,882,157
Harmonized Sales Tax/Goods and Services Tax	345,471	336,702
Audit fees	4,147	4,359
Independent Review Committee fees	588	636
Custodian fees	5,171	5,049
Filing fees	23,577	18,729
Legal fees	1,252	1,547
Unitholder reporting costs	20,856	20,243
Unitholder administration and service fees	134,356	153,080
Overdraft charges	21,427	24,841
Foreign withholding taxes/tax reclaims	191,834	135,455
Transaction costs	460,834	404,736
Total expenses	4,291,759	3,987,534
Absorbed expenses	(10,328)	(7,387)
Net expenses	4,281,431	3,980,147
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$21,787,678	$ 6,927,083
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$17,811,297	$ 5,521,543
Advisor Series Units	$ 15,704	$ 5,061
Series F Units	$ 5,171	$ 392
Series I Units	$ 3,955,506	$ 1,400,087
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 3.30	$ 0.90
Advisor Series Units	$ 3.13	$ 0.87
Series F Units	$ 3.64	$ 1.06
Series I Units	$ 4.89	$ 1.70
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	5,392,351	6,112,792
Advisor Series Units	5,022	5,833
Series F Units	1,419	370
Series I Units	809,531	824,933

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Growth Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$337,224,971	$318,068,522
Advisor Series Units	314,179	311,239
Series F Units	75,319	19,719
Series I Units	58,077,770	50,197,992
	395,692,239	368,597,472
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	17,811,297	5,521,543
Advisor Series Units	15,704	5,061
Series F Units	5,171	392
Series I Units	3,955,506	1,400,087
	21,787,678	6,927,083
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	8,212,583	7,711,119
Series F Units	102,973	–
Series I Units	3,656,000	1,800,000
Payments on redemption		
Series A Units	(28,129,891)	(28,016,347)
Advisor Series Units	(38,586)	(44,281)
Series I Units	–	(1,533,676)
	(16,196,921)	(20,083,185)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(2,106,011)	(14,783,685)
Advisor Series Units	(22,882)	(39,220)
Series F Units	108,144	392
Series I Units	7,611,506	1,666,411
	5,590,757	(13,156,102)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	335,118,960	303,284,837
Advisor Series Units	291,297	272,019
Series F Units	183,463	20,111
Series I Units	65,689,276	51,864,403
	$401,282,996	$355,441,370

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 21,787,678	$ 6,927,083
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(26,836,266)	(10,017,097)
Net realized gain (loss) foreign exchange on cash	216,600	(36,163)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	4,125,460	1,640,237
Change in unrealized appreciation (depreciation) of forward currency contracts	–	(521,796)
Purchases of non-derivative financial assets	(196,890,180)	(149,691,246)
Proceeds from sale of non-derivative financial assets	217,817,639	168,575,412
Transaction costs	460,834	404,736
Accrued investment income	(51,493)	(29,910)
Accrued expenses	618,604	518,420
Net cash provided by (used in) operating activities	21,248,876	17,769,677
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,043,047	9,550,026
Amounts paid on redemption of redeemable units	(28,335,618)	(29,795,881)
Net cash provided by (used in) financing activities	(16,292,571)	(20,245,855)
Net gain (loss) foreign exchange on cash	(216,600)	36,163
Net increase (decrease) in cash	4,956,305	(2,476,178)
Cash at beginning of period	1,432,590	2,830,678
CASH AT END OF PERIOD	$ 6,172,295	$ 390,663
Interest received(1)	5,432	1,891
Dividends received, net of withholding taxes(1)	3,271,177	4,140,167

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 100.0%			
Canadian Equities – 62.5%			
Energy – 15.6%			
581,900	EnCana Corporation	11,405,758	14,710,432
365,200	Husky Energy Inc.	11,698,857	12,584,792
294,000	Paramount Resources Ltd.	9,451,749	17,507,700
554,700	Precision Drilling Corporation	8,309,903	8,381,517
154,500	ShawCor Ltd.	5,017,984	9,168,030
		45,884,251	62,352,471
Materials – 2.5%			
13,500	Canfor Corporation	267,957	315,360
895	Franco-Nevada Corporation Warrants Jun. 16, 2017*	–	7,831
189,700	West Fraser Timber Co., Ltd.	9,859,021	9,809,387
		10,126,978	10,132,578
Industrials – 2.8%			
297,600	WSP Global Inc.	9,951,034	11,246,304
Consumer Discretionary – 12.3%			
299,300	Amaya Gaming Group Inc. Subscription Receipts Restricted*	5,986,000	5,986,000
320,200	BRP Inc.	8,529,009	8,421,260
254,700	Corus Entertainment Inc., Class B	6,096,249	6,359,859
71,870	Dollarama Inc.	6,039,582	6,313,780
189,200	Gildan Activewear Inc.	9,035,357	11,895,004
619,300	Hudson's Bay Company	10,796,527	10,472,363
		46,482,724	49,448,266
Consumer Staples – 2.9%			
399,300	Alimentation Couche-Tard Inc., Class B	9,457,460	11,671,539
Health Care – 3.0%			
89,500	Valeant Pharmaceuticals International, Inc.	10,761,919	12,077,130
Financials – 17.3%			
155,700	Bank of Nova Scotia, The	9,490,300	11,076,498
341,800	Canadian Western Bank	10,094,569	13,634,402
130,200	CI Financial Corporation	4,114,320	4,563,510
382,400	Manulife Financial Corporation	7,953,337	8,110,704
130,600	Royal Bank of Canada	7,683,576	9,962,168
341,500	Sun Life Financial Inc.	7,847,857	13,393,630
1,102,700	Tricon Capital Group Inc	6,911,970	8,678,246
		54,095,929	69,419,158
Information Technology – 6.1%			
1,055,100	Celestica Inc.	11,909,016	14,159,442
204,200	Open Text Corporation	10,472,912	10,455,040
		22,381,928	24,614,482
	TOTAL CANADIAN EQUITIES	209,142,223	250,961,928
FOREIGN EQUITIES – 37.5%			
United States – 34.1%			
Industrials – 3.3%			
63,300	Fluor Corporation	4,112,334	5,193,174
60,700	Rockwell Automation, Inc.	8,066,980	8,103,457
		12,179,314	13,296,631
Consumer Discretionary – 3.3%			
145,200	Walt Disney Company, The	10,090,817	13,281,678
Health Care – 5.1%			
28,800	Biogen Idec Inc.	9,468,637	9,687,977
172,300	Merck & Co., Inc.	10,844,165	10,633,874
		20,312,802	20,321,851

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Financials – 6.9%			
262,700	MetLife, Inc.	13,391,404	15,565,705
355,500	Morgan Stanley	10,390,649	12,261,629
		23,782,053	27,827,334
Information Technology – 12.9%			
205,300	eBay Inc.	7,986,174	10,964,344
19,000	Google Inc. Class C	11,344,993	11,660,998
162,000	Microsoft Corporation	5,077,289	7,206,990
98,900	Tableau Software Inc.	7,720,944	7,527,707
386,300	Yahoo! Inc.	9,295,303	14,477,905
		41,424,703	51,837,944
Telecommunication Services – 2.6%			
218,900	Level 3 Communications, Inc.	8,907,987	10,257,945
	TOTAL UNITED STATES EQUITIES	116,697,676	136,823,383
Switzerland – 1.9%			
23,800	Roche Holdings AG	7,986,073	7,576,286
United Kingdom – 1.5%			
219,200	Burberry Group PLC	6,063,032	5,928,733
	TOTAL FOREIGN EQUITIES	130,746,781	150,328,402
	TOTAL INVESTMENT PORTFOLIO	339,889,004	401,290,330
	OTHER ASSETS, LESS LIABILITIES – 0.0%		(7,334)
	NET ASSETS – 100.0%		401,282,996

* This security is not actively traded and considered illiquid.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Canadian Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$394,922,235	$368,094,830
Revaluation of Investments at FVTPL	770,004	502,642
Net assets attributable to holders of redeemable units	$395,692,239	$368,597,472

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$6,523,225
Revaluation of Investments at FVTPL	403,858
Increase (decrease) in net assets attributable to holders of redeemable units	$6,927,083

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	136,823,381	34.1	13,682,338	3.4
Swiss Franc	7,576,286	1.9	757,629	0.2
British Pound	5,928,732	1.5	592,873	0.2
Total	150,328,399	37.5	15,032,840	3.8

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	106,103,036	26.8	10,610,304	2.7
Total	106,103,036	26.8	10,610,304	2.7

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	14,028,854	3.8	1,402,885	0.4
Total	14,028,854	3.8	1,402,885	0.4

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 99.3%, January 1, 2013 – 99.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $40,129,033 (December 31, 2013 – $39,216,591, January 1, 2013 – $36,541,277). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$6,766,660	$ –	$329,197	$ –	$390,906
Unrealized loss on currency forward contracts	–	–	–	–	–	521,796
Redeemable units	401,282,996	–	395,692,239	–	368,597,472	–
	$401,282,996	$6,766,660	$395,692,239	$329,197	$368,597,472	$912,702

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	15.6	10.5	22.0
Materials	2.5	4.8	10.2
Industrials	2.8	1.7	5.8
Consumer Discretionary	12.3	13.2	5.9
Consumer Staples	2.9	3.5	1.5
Health Care	3.0	3.7	0.9
Financials	17.3	30.0	17.5
Information Technology	6.1	5.0	4.7
Foreign Equities	37.5	26.9	30.6
Currency Forward Contracts	–	–	(0.1)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$381,791,480	$13,505,019	$5,986,000	$401,282,499
Warrants	–	7,831	–	7,831
	$381,791,480	$ 3,512,850	$5,986,000	$401,290,330

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$392,931,877	$ –	$ –	$392,931,877
Warrants	–	4,036	–	4,036
	$392,931,877	$ 4,036	$ –	$392,935,913

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$363,924,965	$ –	$1,990,450	$365,915,415
Currency Forward Contracts–Liabilities	–	(521,796)	–	(521,796)
	$363,924,965	$(521,796)	$1,990,450	$365,393,619

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the years ended at June 30, 2014, December 31, 2013 and January 1, 2013.

	June 30, 2014	December 31, 2013	January 1, 2013
Beginning of period	$ –	$ 1,990,450	$1,874,125
Purchases	5,986,000	–	–
Sales	–	–	–
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	(1,990,450)	–
Net realized gains (losses) on investments sold	–	–	–
Net change in unrealized appreciation (depreciation)*	–	–	116,325
End of period	$5,986,000	$ –	$1,990,450

* Net change in unrealized appreciation (depreciation) for Level 3 financial instruments held as at June 30, 2014, December 31, 2013 and January 1, 2013, was $0, $0 and $116,325, respectively.

Level 3 Valuation Techniques

As of June 30, 2014, the significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

	Valuation Technique	Significant Unobservable Inputs	June 30, 2014	December 31, 2013	January 1, 2013
Equities	Fair value at cost	Purchase price	$5,986,000	$ –	$ –
Equities	Grey Market Trade	Transaction price	–	–	1,990,450
			$5,986,000	$ –	$1,990,450

If the significant unobservable inputs used in determining the fair value of the Fund's Level 3 financial instruments decreased or increased by 5%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $299,300 (December 31, 2013 – $nil), (January 1, 2013 – $99,523).

Scotia Canadian Small Cap Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$55,735,477	$55,442,229	$63,216,925
Cash	3,211,751	–	612,792
Accrued investment income	35,472	35,678	61,107
Receivable for securities sold	387,292	–	–
Subscriptions receivable	15,423	28,260	48,076
	59,385,415	55,506,167	63,938,900
LIABILITIES			
Current liabilities			
Bank indebtedness	–	41,277	–
Payable for securities purchased	990,809	–	–
Redemptions payable	32,397	55,261	46,375
Accrued expenses	96,984	–	–
Unrealized loss on currency forward contracts	–	–	17,515
	1,120,190	96,538	63,890
Net Assets attributable to holders of redeemable units	$58,265,225	$55,409,629	$63,875,010
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$45,748,611	$46,323,530	$44,832,557
Series I Units	$ –	$ –	$11,213,538
Series M Units	$12,516,614	$ 9,086,099	$ 7,828,915
UNITS OUTSTANDING			
Series A Units	1,846,366	1,975,598	2,311,038
Series I Units	–	–	493,230
Series M Units	471,637	365,738	389,259
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 24.78	$ 23.44	$ 19.40
Series I Units	$ –	$ –	$ 22.73
Series M Units	$ 26.54	$ 24.84	$ 20.11

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 409,339	$ 478,042
Interest for distribution purposes	1,746	147
Net realized gain (loss) on non-derivative financial assets	(164,076)	2,708,753
Net realized gain (loss) on currency forwards	–	(91,644)
Net gain (loss) foreign exchange	(6,528)	(87,923)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	3,666,331	1,721,868
Change in unrealized appreciation (depreciation) of currency forwards	–	17,515
Net gain (loss) on investments	3,906,812	4,746,758
Securities lending	–	2,089
Other income	229	64
Total income (loss)	3,907,041	4,748,911
EXPENSES		
Management fees (note 5)	468,557	445,152
Harmonized Sales Tax/Goods and Services Tax	54,194	54,399
Audit fees	947	792
Independent Review Committee fees	84	110
Custodian fees	1,873	2,306
Filing fees	8,001	14,067
Legal fees	179	321
Unitholder reporting costs	6,317	6,549
Unitholder administration and service fees	29,902	36,501
Overdraft charges	6,237	11,656
Foreign withholding taxes/tax reclaims	5,227	–
Transaction costs	80,728	73,086
Total expenses	662,246	644,939
Net expenses	662,246	644,939
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$3,244,795	$4,103,972
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$2,584,531	$2,729,870
Series I Units	$ –	$ 809,141
Series M Units	$ 660,264	$ 564,961
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.35	$ 1.23
Series I Units	$ –	$ 1.76
Series M Units	$ 1.69	$ 1.49
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,910,321	2,214,484
Series I Units	–	458,947
Series M Units	391,559	378,271

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Small Cap Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$46,323,530	$44,832,557
Series I Units	–	11,213,538
Series M Units	9,086,099	7,828,915
	55,409,629	63,875,010
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,584,531	2,729,870
Series I Units	–	809,141
Series M Units	660,264	564,961
	3,244,795	4,103,972
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,733,570	1,195,744
Series I Units	–	9,994
Series M Units	3,756,609	1,159,969
Payments on redemption		
Series A Units	(4,893,020)	(5,176,196)
Series I Units	–	(1,371,891)
Series M Units	(986,358)	(1,781,629)
	(389,199)	(5,964,009)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(574,919)	(1,250,582)
Series I Units	–	(552,756)
Series M Units	3,430,515	(56,699)
	2,855,596	(1,860,037)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	45,748,611	43,581,975
Series I Units	–	10,660,782
Series M Units	12,516,614	7,772,216
	$58,265,225	$62,014,973

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 3,244,795	$ 4,103,972
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	164,076	(2,708,753)
Net realized gain (loss) foreign exchange on cash	6,528	87,923
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(3,666,331)	(1,721,868)
Change in unrealized appreciation (depreciation) of forward currency contracts	–	(17,515)
Purchases of non-derivative financial assets	(17,729,541)	(15,256,729)
Proceeds from sale of non-derivative financial assets	21,461,337	20,285,560
Transaction costs	80,728	73,086
Accrued investment income	206	13,584
Accrued expenses	96,984	84,861
Net cash provided by (used in) operating activities	3,658,782	4,944,121
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	5,503,016	2,403,106
Amounts paid on redemption of redeemable units	(5,902,242)	(8,270,104)
Net cash provided by (used in) financing activities	(399,226)	(5,866,998)
Net gain (loss) foreign exchange on cash	(6,528)	(87,923)
Net increase (decrease) in cash	3,259,556	(922,877)
Cash at beginning of period	(41,277)	612,792
CASH AT END OF PERIOD	$ 3,211,751	$ (398,008)
Interest received(1)	918	955
Dividends received, net of withholding taxes(1)	405,146	498,789

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.7%			
CANADIAN EQUITIES – 78.4%			
Energy – 9.3%			
684,000	Cequence Energy Ltd.	1,996,886	2,004,120
45,700	Paramount Resources Ltd.	1,529,022	2,721,435
17,900	Total Energy Services Inc.	406,224	415,817
9,600	Trilogy Energy Corporation	288,000	280,320
		4,220,132	5,421,692
Materials – 5.0%			
626,800	Augusta Resource Corporation	2,677,130	2,112,316
348,100	Western Forest Products Inc.	710,726	776,263
		3,387,856	2,888,579
Industrials – 15.4%			
95,500	ATS Automation Tooling Systems Inc.	1,175,543	1,490,755
23,300	Badger Daylighting Ltd.	873,199	818,995
142,600	Baylin Technologies Inc.	1,114,761	558,279
120,900	New Flyer Industries Inc.	1,166,796	1,488,279
94,200	People Corp. Restricted*	202,530	250,255
23,300	Richelieu Hardware Ltd.	753,251	1,130,050
112,100	Superior Plus Corporation	1,315,703	1,590,699
42,800	WSP Global Inc.	1,243,893	1,617,412
		7,845,676	8,944,724
Consumer Discretionary – 17.8%			
47,600	Amaya Gaming Group Inc. Subscription Receipts Restricted*	952,000	952,000
112,100	Bauer Performance Sports Ltd.	1,411,323	2,058,156
435,500	DHX Media Ltd.	805,947	2,922,205
303,100	Entertainment One Ltd	1,372,865	1,713,091
1,350,200	Shop.ca Network Inc. Restricted*	1,080,160	1,120,666
88,400	Yellow Media Ltd.	1,224,196	1,607,112
		6,846,491	10,373,230
Consumer Staples – 0.7%			
25,300	Big Rock Brewery Inc	431,981	433,895
Health Care – 1.9%			
543,000	IMRIS, Inc.	1,509,381	657,030
347,200	Oncolytics Biotech Inc.	1,295,499	475,664
		2,804,880	1,132,694
Financials – 4.2%			
190,600	Fiera Sceptre Inc.	1,642,079	2,439,680
Information Technology – 22.1%			
478,200	Absolute Software Corporation	2,379,264	3,299,580
314,400	BuildDirect.com Technologies Inc., Restricted*	1,100,400	1,078,392
157,200	BuildDirect.com Technologies Inc., Restricted, Warrants*		
62,000	Descartes Systems Group Inc., The	484,682	947,980
1,027,000	Guestlogix Inc.	1,268,052	1,294,020
165,000	Halogen Software Inc.	1,493,694	1,324,950
346,300	Pure Technologies Ltd.	1,605,484	2,476,045
439,200	Redknee Solutions Inc.	1,686,652	2,415,600
		10,018,228	12,836,567
Telecommunication Services – 2.0%			
166,800	Canadian Satellite Radio Holdings Inc.	1,295,789	1,167,600
	TOTAL CANADIAN EQUITIES	38,493,112	45,638,661
FOREIGN EQUITIES – 17.3%			
United States – 17.3%			
Materials – 3.2%			
36,100	Caesar Stone Sdot Yam Ltd.	581,704	1,890,230
Consumer Discretionary – 5.2%			
37,500	Carmike Cinemas, Inc.	814,640	1,405,440
61,900	Live Nation Entertainment Inc.	833,139	1,630,477
		1,647,779	3,035,917

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Small Cap Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Consumer Staples – 1.9%			
19,900	Post Holdings Inc.	1,204,698	1,081,153
Financials – 3.9%			
12,100	Barrett Business Services, Inc.	932,460	606,716
125,600	Janus Capital Group Inc.	1,118,213	1,672,273
		2,050,673	2,278,989
Information Technology – 3.1%			
20,300	Blackhawk Network Holdings, Inc.	526,427	611,161
49,700	QLIK Technologies Inc.	1,316,428	1,199,366
		1,842,855	1,810,527
	TOTAL FOREIGN EQUITIES	7,327,709	10,096,816
	TOTAL INVESTMENT PORTFOLIO	45,820,821	55,735,477
	OTHER ASSETS, LESS LIABILITIES – 4.3%		2,529,748
	NET ASSETS – 100.0%		58,265,225

* This security is not actively traded and considered illiquid.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Canadian Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$55,190,171	$63,176,438
Revaluation of Investments at FVTPL	219,458	698,572
Net assets attributable to holders of redeemable units	$55,409,629	$63,875,010

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$4,283,611
Revaluation of Investments at FVTPL	(179,639)
Increase (decrease) in net assets attributable to holders of redeemable units	$4,103,972

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	11,028,991	18.9	1,102,899	1.9
British Pound	1,713,239	2.9	171,324	0.3
Total	12,742,230	21.8	1,274,223	2.2

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
British Pound	1,105,127	2.0	110,513	0.2
US Dollar	11,852,819	21.4	1,185,282	2.1
Total	12,957,946	23.4	1,295,795	2.3

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	420,628	0.7	42,063	0.1
Total	420,628	0.7	42,063	0.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 95.7% (December 31, 2013 – 100.1%, January 1, 2013 – 98.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $5,573,548 (December 31, 2013 – $5,522,277, January 1, 2013 – $6,251,835). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,120,190	$ –	$96,538	$ –	$46,375
Unrealized loss on currency forward contracts	–	–	–	–	–	17,515
Redeemable units	58,265,225	–	55,409,629	–	63,875,010	–
	$58,265,225	$1,120,190	$55,409,629	$96,538	$63,875,010	$63,890

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	9.3	7.7	16.3
Materials	5.0	3.7	17.4
Industrials	15.4	13.2	10.1
Consumer Discretionary	17.8	16.5	8.4
Consumer Staples	0.7	5.1	0.8
Health Care	1.9	2.7	5.1
Financials	4.2	6.7	7.7
Information Technology	22.1	21.8	25.2
Telecommunication Services	2.0	21.8	25.2
Utilities	–	1.2	2.0
Foreign Equities	17.3	21.5	5.9
Currency Forward Contracts	–	–	0.0

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$ 50,621,073	$1,963,346	$3,151,058	$ 55,735,477

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 53,236,702	$1,105,127	$1,100,400	$ 55,442,229

Scotia Canadian Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 63,216,925	$ –	$ –	$ 63,216,925
Currency Forward Contracts–Liabilities	–	(17,515)	–	(17,515)
	$ 63,216,925	$ (17,515)	$ –	$ 63,199,410

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the years ended at June 30, 2014, December 31, 2013 and January 1, 2013.

	June 30, 2014	December 31, 2013	January 1, 2013
Beginning of period	$1,100,400	$ –	$ –
Purchases	2,032,160	1,100,400	–
Sales	–	–	–
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
Net realized gains (losses) on investments sold	–	–	–
Net change in unrealized appreciation (depreciation)*	18,498	–	–
End of period	$3,151,058	$1,100,400	$ –

* Net change in unrealized appreciation (depreciation) for Level 3 financial instruments held as at June 30, 2014, December 31, 2013 and January 1, 2013, was $18,498, $0 and nil, respectively.

Level 3 Valuation Techniques

As of June 30, 2014, the significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

	Valuation Technique	Significant Unobservable Inputs	June 30, 2014	December 31, 2013	January 1, 2013
Equities	Financing	Financing Price	$1,078,392	$1,100,400	$ –
Equities	Fair value at cost	Purchase price	952,000	–	–
Equities	Internal Fundamental Model	– Price to sales multiple. – Liquidity discount due to lack of marketability.	1,120,666	–	–
			$3,151,058	$1,100,400	$ –

If the significant unobservable inputs used in determining the fair value of the Fund's Level 3 financial instruments decreased or increased by 5%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $157,553 (December 31, 2013 – $55,020), (January 1, 2013 – nil).

Scotia Resource Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$116,063,910	$102,148,141	$126,920,156
Commodities	3,436,121	3,621,054	4,705,440
Unrealized gain on currency spot contracts	1,716	–	–
Unrealized gain on currency forward contracts	122,255	49,151	–
Unrealized gain on swap contracts	232,265	131,023	–
Cash	12,731,661	6,544,357	4,391,975
Accrued investment income	175,884	178,800	248,895
Receivable for securities sold	–	–	68,001
Subscriptions receivable	46,008	109,411	88,731
	132,809,818	112,781,937	136,423,198
LIABILITIES			
Current liabilities			
Payable for securities purchased	348,049	–	62,813
Redemptions payable	144,549	160,074	69,407
Accrued expenses	259,167	–	–
Unrealized loss on currency spot contracts	1,806	–	–
Unrealized loss on currency forward contracts	783	37,588	27,077
Unrealized loss on accumulator contracts	4,474		
	758,828	197,662	159,297
Net Assets attributable to holders of redeemable units	$132,050,990	$112,584,275	$136,263,901
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$132,006,998	$112,549,439	$135,962,183
Series F Units	$ 43,992	$ 34,836	$ 301,718
UNITS OUTSTANDING			
Series A Units	6,275,018	6,738,485	7,633,715
Series F Units	2,044	2,044	16,704
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 21.04	$ 16.70	$ 17.81
Series F Units	$ 21.52	$ 17.04	$ 18.07

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,040,816	$ 1,196,381
Interest for distribution purposes	31,474	44,570
Capital gains distributions received	(68)	56
Net realized gain (loss) on non-derivative financial assets	3,033,781	(17,583,337)
Net realized gain (loss) on currency forwards	(257,435)	(207,554)
Net realized gain (loss) on swap contracts	638,843	104,829
Net gain (loss) foreign exchange	(69,190)	(54,037)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	24,667,700	(2,768,701)
Change in unrealized appreciation (depreciation) of commodities	555,290	(1,041,138)
Change in unrealized appreciation (depreciation) of currency spots	(90)	–
Change in unrealized appreciation (depreciation) of currency forwards	109,909	(276,449)
Change in unrealized appreciation (depreciation) of swap contracts	101,242	29,468
Change in unrealized appreciation (depreciation) of accumulator contracts	(4,474)	–
Net gain (loss) on investments	29,847,798	(20,555,912)
Securities lending	29,702	16,124
Other income	1,297	1,087
Total income (loss)	29,878,797	(20,538,701)
EXPENSES		
Management fees (note 5)	1,225,741	1,202,224
Harmonized Sales Tax/Goods and Services Tax	129,773	134,704
Audit fees	1,750	1,471
Independent Review Committee fees	182	213
Custodian fees	5,637	5,079
Filing fees	12,058	9,622
Legal fees	390	519
Unitholder reporting costs	10,986	10,718
Unitholder administration and service fees	62,629	72,643
Overdraft charges	–	916
Foreign withholding taxes/tax reclaims	8,816	11,777
Transaction costs	93,912	118,281
Total expenses	1,551,874	1,568,167
Absorbed expenses	(4,138)	(1,194)
Net expenses	1,547,736	1,566,973
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$28,331,061	$(22,105,674)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$28,321,905	$(22,084,055)
Series F Units	$ 9,156	$ (21,619)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 4.34	$ (2.99)
Series F Units	$ 4.48	$ (2.09)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	6,521,632	7,385,949
Series F Units	2,044	10,320

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Resource Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$112,549,439	$135,962,183
Series F Units	34,836	301,718
	112,584,275	136,263,901
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	28,321,905	(22,084,055)
Series F Units	9,156	(21,619)
	28,331,061	(22,105,674)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	6,963,749	7,224,661
Series F Units	–	3,869
Payments on redemption		
Series A Units	(15,828,095)	(15,180,819)
Series F Units	–	(227,353)
	(8,864,346)	(8,179,642)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	19,457,559	(30,040,213)
Series F Units	9,156	(245,103)
	19,466,715	(30,285,316)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	132,006,998	105,921,970
Series F Units	43,992	56,615
	$132,050,990	$105,978,585

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 28,331,061	$(22,105,674)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(3,033,781)	17,583,337
Net realized gain (loss) foreign exchange on cash	69,190	54,037
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(24,667,700)	3,809,839
Change in unrealized appreciation (depreciation) of commodities	(555,290)	–
Change in unrealized appreciation (depreciation) of forward currency contracts	(109,909)	276,449
Change in unrealized appreciation (depreciation) of currency spot contracts	90	–
Change in unrealized appreciation (depreciation) of accumulator contracts	4,474	(29,468)
Change in unrealized appreciation (depreciation) of swap contracts	(101,242)	(28,009,531)
Purchases of non-derivative financial assets	(36,150,481)	46,615,077
Proceeds from sale of non-derivative financial assets	50,930,554	118,281
Transaction costs	93,912	35,178
Accrued investment income	2,917	202,891
Accrued expenses	259,167	–
Net cash provided by (used in) operating activities	15,072,962	18,550,416
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,027,152	7,277,602
Amounts paid on redemption of redeemable units	(15,843,620)	(15,375,846)
Net cash provided by (used in) financing activities	(8,816,468)	(8,098,244)
Net gain (loss) foreign exchange on cash	(69,190)	(54,037)
Net increase (decrease) in cash	6,256,494	10,452,172
Cash at beginning of period	6,544,357	4,391,975
CASH AT END OF PERIOD	$ 12,731,661	$ 14,790,110
Interest received(1)	31,020	42,595
Dividends received, net of withholding taxes(1)	1,035,373	1,221,757

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 87.9%			
CANADIAN EQUITIES – 63.8%			
Energy – 45.4%			
80,820	ARC Resources Ltd.	2,113,072	2,625,842
27,009	Baytex Energy Corporation	1,311,828	1,330,193
58,700	Canadian Natural Resources Ltd.	2,093,340	2,878,061
73,450	Crescent Point Energy Corp.	3,125,493	3,473,451
58,122	Enbridge Inc.	2,017,541	2,942,717
3,148,750	Fission Uranium Corp.	4,681,188	3,621,063
67,065	Gibson Energy Inc.	1,234,476	2,282,893
40,108	Inter Pipeline Ltd.	790,485	1,328,377
187,100	Kelt Exploration Ltd.	1,388,414	2,849,533
25,000	Kelt Exploration Ltd. Restricted*	290,000	375,282
36,100	MEG Engery Corporation	1,126,767	1,403,929
127,700	NuVista Energy Ltd.	884,604	1,526,015
50,552	Pembina Pipeline Corporation	1,349,482	2,320,842
32,700	Peyto Exploration & Development Corporation	1,053,724	1,318,137
113,420	PHX Energy Services Corp.	1,204,658	1,880,503
34,600	PrairieSky Royalty Ltd.	968,800	1,342,480
91,000	Precision Drilling Corporation	914,929	1,375,010
319,100	Raging River Exploration Inc.	638,200	3,462,235
94,800	Seven Generations Energy Ltd. Restricted*	2,370,000	3,555,000
14,300	ShawCor Ltd.	557,510	848,562
109,592	Suncor Energy, Inc.	3,545,790	4,986,436
182,713	Total Cda Oil & Gas	2,208,902	2,682,227
23,300	Tourmaline Oil Corp.	724,399	1,310,858
52,885	TransCanada Corporation	2,031,798	2,693,433
36,129	Vermilion Energy, Inc.	1,642,457	2,682,578
172,900	Whitecap Resources, Inc.	1,628,070	2,847,662
		41,895,927	59,943,319
Materials – 17.1%			
50,848	Agnico-Eagle Mines Limited	1,845,782	2,077,649
125,000	Alpha Minerals Inc. Warrants Apr. 25, 2015*	–	298,500
2,236,800	Augusta Resource Corporation	8,171,401	7,538,016
229,700	Canexus Corp.	1,843,145	1,125,530
50,000	First Quantum Minerals Ltd.	1,129,222	1,141,000
236,100	Imperial Metals Corporation	2,592,304	3,685,521
502,000	Lundin Mining Corporation	2,886,350	2,946,740
70,000	Osisko Gold Royalties Ltd.	1,107,400	1,123,500
450,000	Reservoir Minerals Inc.*	2,587,500	2,693,441
		22,163,104	22,629,897
Industrials – 1.3%			
49,200	Black Diamond Group Ltd.	1,022,822	1,688,544
	TOTAL CANADIAN EQUITIES	65,081,853	84,261,760
FOREIGN EQUITES – 24.1%			
United States – 17.2%			
Energy – 11.0%			
16,800	Baker Hughes Incorporated	1,286,089	1,334,372
8,800	Cimarex Energy Co.	1,294,824	1,346,606
20,300	Diamondback Energy Inc.	693,015	1,923,144
21,500	EOG Resources, Inc.	1,615,138	2,679,644
78,700	Marathon Oil Corporation	2,393,417	3,351,723
10,600	Memorial Resource Development Corporation	218,870	275,477
27,400	Noble Energy, Inc.	1,643,268	2,264,284
5,500	Pioneer Natural Resources Company	821,381	1,348,449
		9,966,002	14,523,699
Materials – 6.2%			
288	Dow Chemical Company, The	15,275	15,807
23,500	LyondellBasell Industries NV, Class A	1,480,075	2,447,802
9,100	Praxair, Inc.	1,304,686	1,289,411

For equities, all common shares unless otherwise noted.

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

Scotia Resource Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Ounces	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
Materials (cont'd)			
49,500	Randgold Resources Ltd. ADR	3,881,565	4,467,642
		6,681,601	8,220,662
	TOTAL UNITED STATES EQUITIES	16,647,603	22,744,361
Australia – 4.6%			
25,000	BHP Billiton Limited ADR	1,787,134	1,825,645
1,050,000	Sirius Resources NL	2,819,201	3,425,935
200,000	Syrah Resources Ltd.	785,764	834,069
		5,392,099	6,085,649
United Kingdom – 2.3%			
500,000	Glencore Xstrata PLC	2,667,688	2,972,140
	TOTAL FOREIGN EQUITIES	24,707,390	31,802,150
COMMODITIES – 2.6%			
2,727	Gold Bullion	4,195,048	3,436,121
	TOTAL INVESTMENT PORTFOLIO	93,984,291	119,500,031
	Currency Spot Contracts – 0.0%		(90)
	Currency Forward Contracts – 0.1%		121,472
	Swap Contracts – 0.2%		232,265
	Accumulator Contracts – (0.0)%		(4,474)
	OTHER ASSETS, LESS LIABILITIES – 9.2%		12,201,786
	NET ASSETS – 100.0%		132,050,990

* This security is not actively traded and considered illiquid.

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Australian Dollar	127,329	Canadian Dollar	128,132	128,131	(46)
Jul. 2, 2014	Australian Dollar	102,938	Canadian Dollar	103,607	103,607	(58)
Jul. 2, 2014	Canadian Dollar	1,660,102	U.S. Dollar	1,555,000	1,658,950	1,153
Jul. 2, 2014	Canadian Dollar	1,527,223	U.S. Dollar	1,431,000	1,526,661	563
Jul. 2, 2014	U.S. Dollar	2,986,000	Canadian Dollar	3,187,316	3,187,312	(1,702)
						(90)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	1,025,902	Australian Dollar	1,011,000	1,016,274	9,628
Jul. 17, 2014	Canadian Dollar	392,224	Australian Dollar	389,000	391,029	1,194
Jul. 17, 2014	Canadian Dollar	333,954	Australian Dollar	333,000	334,737	(783)
Jul. 17, 2014	Canadian Dollar	156,010	Australian Dollar	155,000	155,809	201
Jul. 17, 2014	Canadian Dollar	89,146	Australian Dollar	88,000	88,459	687
Jul. 17, 2014	Canadian Dollar	3,007,786	U.S. Dollar	2,795,000	2,983,402	24,384
Aug. 14, 2014	Canadian Dollar	570,090	British Pound	309,000	564,466	5,624
Aug. 14, 2014	Canadian Dollar	3,190,622	U.S. Dollar	2,986,000	3,189,626	996
Aug. 14, 2014	Canadian Dollar	3,011,235	U.S. Dollar	2,795,000	2,985,601	25,633
Aug. 14, 2014	Canadian Dollar	2,989,125	U.S. Dollar	2,784,000	2,973,851	15,275
Aug. 14, 2014	Canadian Dollar	2,530,160	U.S. Dollar	2,347,000	2,507,050	23,110
Aug. 14, 2014	Canadian Dollar	2,433,913	U.S. Dollar	2,264,000	2,418,390	15,523
						121,472

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Resource Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
800	May. 01, 2014	59,856	0.55%	2,936
1,700	Aug. 01, 2014	127,194	0.55%	6,239
1,800	Aug. 01, 2014	134,676	0.55%	6,606
6,830	Aug. 04, 2014	511,021	0.55%	25,068
5,170	Aug. 05, 2014	386,819	0.55%	18,975
2,800	Apr. 29, 2015	209,496	0.55%	10,276
1,700	Apr. 30, 2015	127,194	0.55%	6,239
5,400	May. 04, 2015	404,028	0.55%	19,819
400	May. 04, 2015	29,928	0.55%	1,468
400	May. 06, 2015	29,928	0.55%	1,468
5,500	May. 07, 2015	411,510	0.55%	20,186
800	May. 08, 2015	59,856	0.55%	2,936
1,400	May. 18, 2015	102,522	0.55%	7,491
3,800	May. 29, 2015	280,744	0.55%	17,754
1,700	Jun. 01, 2015	127,194	0.55%	6,239
Plains All American Pipeline, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
1,300	Nov. 14, 2014	73,411	0.55%	4,934
1,400	Nov. 17, 2014	79,058	0.55%	5,313
8,800	Nov. 18, 2014	496,936	0.55%	33,401
400	Nov. 26, 2014	22,588	0.55%	1,518
4,800	Dec. 01, 2014	271,056	0.55%	18,218
900	Dec. 02, 2014	50,823	0.55%	3,416
300	Dec. 02, 2014	16,941	0.55%	1,139
1,000	Dec. 03, 2014	56,470	0.55%	3,795
1,700	Dec. 05, 2014	95,999	0.55%	6,452
100	May. 08, 2015	5,647	0.55%	379
				232,265

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

ACCUMULATOR CONTRACTS

Outstanding Number of Units	Termination date	Currency	Current Notional Amount	Strike Price	Knock-Out Price	Unrealized Gain(Loss)
The Dow Chemical Company, Counterparty: Toronto-Dominion Bank, The						
12,000	Dec. 22, 2014	USD	593,498	49.46	55.22	$(4,474)

The accumulator contract outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

Scotia Resource Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$112,327,390	$135,590,077
Revaluation of Investments at FVTPL	256,885	673,824
Net assets attributable to holders of redeemable units	$112,584,275	$136,263,901

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(21,632,700)
Revaluation of Investments at FVTPL	(472,974)
Increase (decrease) in net assets attributable to holders of redeemable units	$(22,105,674)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	17,031,678	12.9	1,703,168	1.3
Australian Dollar	2,505,433	1.9	250,543	0.2
British Pound	2,407,673	1.8	240,767	0.2
Total	21,944,784	16.6	2,194,478	1.7

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Australian Dollar	298,641	0.3	29,864	0.0
British Pound	1,676,901	1.5	167,690	0.2
US Dollar	20,612,206	18.3	2,061,221	1.8
Total	22,587,748	20.1	2,258,775	2.0

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Australian Dollar	4,026,718	3.0	402,672	0.3
US Dollar	5,504,591	4.0	550,459	0.4
Total	9,531,309	7.0	953,131	0.7

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 90.5% (December 31, 2013 – 96.9%, January 1, 2013 – 96.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $11,950,003 (December 31, 2013 – $10,887,762, January 1, 2013 – $13,095,177). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$751,765	$ –	$160,074	$ –	$132,220
Unrealized loss on currency spot contracts	–	1,806	–	–	–	–
Unrealized loss on currency forward contracts	–	783	–	37,588	–	27,077
Unrealized loss on accumulator contracts	–	4,474	–	–	–	–
Redeemable units	132,050,990	–	112,584,275	–	136,263,901	–
	$132,050,990	$758,828	$112,584,275	$197,662	$136,263,901	$159,297

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

i) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	45.4	47.4	42.7
Materials	17.1	21.1	41.9
Industrials	1.3	1.5	–
Foreign Equities	24.1	23.9	8.5
Commodities	2.6	–	3.5
Currency Spot Contracts	0.0	–	–
Currency Forward Contracts	0.1	0.0	0.0
Swap Contracts	0.2	0.1	–
Accumulator Contracts	(0.0)	–	–

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$104,978,266	$7,232,144	$3,555,000	$115,765,410
Commodities	3,436,121	–	–	3,436,121
Warrants	–	298,500	–	298,500
Currency Spot Contracts–Assets	1,716	–	–	1,716
Currency Forward Contracts–Assets	–	122,255	–	122,255
Swap Contracts–Assets	232,265	–	–	232,265
	108,648,368	7,652,899	3,555,000	119,856,267
Currency Spot Contracts–Liabilities	(1,806)	–	–	(1,806)
Currency Forward Contracts–Liabilities	–	(783)	–	(783)
Accumulator Contracts–Liabilities	–	(4,474)	–	(4,474)
	(1,806)	(5,257)	–	(7,063)
	$108,646,562	$7,647,642	$3,555,000	$119,849,204

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 95,339,048	$4,257,843	$2,240,000	$101,836,891
Commodities	3,621,054			3,621,054
Warrants	–	311,250	–	311,250
Currency Forward Contracts–Assets	–	49,151	–	49,151
Swap Contracts–Assets	131,023	–	–	131,023
	99,091,125	4,618,244	2,240,000	105,949,369
Currency Forward Contracts–Liabilities	–	(37,588)	–	(37,588)
	$ 99,091,125	$4,580,656	$2,240,000	$105,911,781

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$122,893,428	$4,026,718	$ –	$126,920,146
Commodities	4,705,440			4,705,440
Warrants	–	10	–	10
	127,598,868	4,026,728	–	131,625,596
Currency Forward Contracts–Liabilities	–	(27,077)	–	(27,077)
	$127,598,868	$3,999,651	$ –	$131,598,519

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the years ended at June 30, 2014, December 31, 2013 and January 1, 2013.

	June 30, 2014	December 31, 2013	January 1, 2013
Beginning of period	$2,240,000	$ –	$ –
Purchases	130,000	2,240,000	–
Sales	–	–	–
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
Net realized gains (losses) on investments sold	–	–	–
Net change in unrealized appreciation (depreciation)*	1,185,000	–	–
End of period	$3,555,000	$2,240,000	$ –

* Net change in unrealized appreciation (depreciation) for Level 3 financial instruments held as at June 30, 2014, December 31, 2013 and January 1, 2013, was $1,185,000, $0 and nil, respectively.

Scotia Resource Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Level 3 Valuation Techniques

As of June 30, 2014, the significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

	Valuation Technique	Significant Unobservable Inputs	June 30, 2014	December 31, 2013	January 1, 2013
Equities	Grey Market Trade (December 31, 2013 – Financing)	Transaction price (December 31, 2013 – Financing price)	$3,555,000	$2,240,000	$ –

If the significant unobservable inputs used in determining the fair value of the Fund's Level 3 financial instruments decreased or increased by 5%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $177,750 (December 31, 2013 – $112,000), (January 1, 2013 – nil).

Scotia Private Real Estate Income Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$144,584,856	$112,831,476	$18,227,976
Unrealized gain on currency forward contracts	860,293	110,903	–
Cash	14,810,669	10,178,406	29,096,561
Accrued investment income	403,147	448,587	44,999
Receivable for securities sold	175,764	–	–
Subscriptions receivable	212,016	208,905	101,290
	161,046,745	123,778,277	47,470,826
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,801,914	–	1,360,105
Distributions payable	24,988	15,386	16
Redemptions payable	155,922	110,980	21,779
Accrued expenses	25,465	–	–
Unrealized loss on currency forward contracts	–	49,167	–
	2,008,289	175,533	1,381,900
Net Assets attributable to holders of redeemable units	$159,038,456	$123,602,744	$46,088,926
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series M Units	$159,038,456	$123,602,744	$46,088,926
UNITS OUTSTANDING			
Series M Units	15,215,251	13,091,922	4,576,648
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series M Units	$ 10.45	$ 9.44	$ 10.07

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,442,137	$ 551,845
Interest for distribution purposes	782,856	191,084
Capital gains distributions received	113,194	32,598
Net realized gain (loss) on non-derivative financial assets	1,578,340	47,428
Net realized gain (loss) on currency forwards	(657,225)	(158,292)
Net gain (loss) foreign exchange	(183,735)	62,671
Change in unrealized appreciation (depreciation) of non-derivative financial assets	12,491,349	(2,235,087)
Change in unrealized appreciation (depreciation) of currency forwards	798,557	(12,738)
Net gain (loss) on investments	17,365,473	(1,520,491)
Securities lending	17,326	–
Total income (loss)	17,382,799	(1,520,491)
EXPENSES		
Management fees (note 5)	106,478	42,934
Harmonized Sales Tax/Goods and Services Tax	12,378	5,427
Audit fees	1,579	676
Independent Review Committee fees	211	100
Custodian fees	2,072	272
Filing fees	9,736	2
Legal fees	453	244
Unitholder reporting costs	2,475	4,650
Unitholder administration and service fees	9,720	3,286
Overdraft charges	–	22
Foreign withholding taxes/tax reclaims	154,435	58,036
Transaction costs	104,903	90,365
Total expenses	404,440	206,014
Absorbed expenses	–	(5)
Net expenses	404,440	206,009
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$16,978,359	$(1,726,500)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M Units	$16,978,359	$(1,726,500)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series M Units	$ 1.19	$ (0.30)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series M Units	14,209,681	5,746,994

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private Real Estate Income Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series M Units	$123,602,744	$ 46,088,926
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M Units	16,978,359	(1,726,500)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M Units	(2,871,149)	(1,173,452)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M Units	29,632,310	27,278,770
Reinvested distributions		
Series M Units	2,744,183	1,157,683
Payments on redemption		
Series M Units	(11,047,991)	(12,567,873)
	21,328,502	15,868,580
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M Units	35,435,712	12,968,628
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series M Units	$159,038,456	$ 59,057,554

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 16,978,359	$ (1,726,500)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(1,578,340)	(47,428)
Net realized gain (loss) foreign exchange on cash	183,735	(62,671)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(12,491,349)	2,235,087
Change in unrealized appreciation (depreciation) of forward currency contracts	(798,557)	12,738
Purchases of non-derivative financial assets	(48,760,215)	(57,907,660)
Proceeds from sale of non-derivative financial assets	32,597,771	16,470,927
Transaction costs	104,903	90,365
Accrued investment income	45,440	(142,935)
Accrued expenses	25,465	9,855
Net cash provided by (used in) operating activities	(13,692,788)	(41,068,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	29,629,199	27,087,264
Amounts paid on redemption of redeemable units	(11,003,049)	(12,084,958)
Distributions to unitholders of redeemable units	(117,364)	(9,097)
Net cash provided by (used in) financing activities	18,508,786	14,993,209
Net gain (loss) foreign exchange on cash	(183,735)	62,671
Net increase (decrease) in cash	4,815,998	(26,075,013)
Cash at beginning of period	10,178,406	29,096,561
CASH AT END OF PERIOD	$ 14,810,669	$ 3,084,219
Interest received(1)	785,298	199,021
Dividends received, net of withholding taxes(1)	2,330,700	342,936

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.0%			
CANADIAN EQUITIES – 45.6%			
139,900	Allied Properties Real Estate Investment Trust	4,584,462	4,945,465
284,000	Artis Real Estate Investment Trust	4,463,429	4,473,000
95,300	Boardwalk Real Estate Investment Trust	5,714,419	6,219,278
238,000	Calloway Real Estate Investment Trust	6,059,301	6,321,280
236,200	Canadian Apartment Properties Real Estate Investment Trust	4,909,290	5,399,532
125,600	Canadian Real Estate Investment Trust	5,353,599	5,776,344
377,339	Chartwell Seniors Housing Real Estate Investment Trust	3,737,477	4,090,355
336,375	CT Real Estate Investment Trust	3,406,698	3,834,675
20,076	Dundee Real Estate Investment Trust	709,191	588,026
217,000	First Capital Realty, Inc.	3,843,744	4,040,540
255,354	H&R Real Estate Investment Trust	5,598,093	5,913,999
325,500	InterRent Real Estate Investment Trust	1,908,192	1,852,095
18,400	Leisureworld Senior Care Corp.	238,695	239,016
359,500	Milestone Apartments Real Estate Investment Trust	3,202,285	3,871,815
252,124	Morguard North American Residential Real Estate Investment Trust	2,663,265	2,639,738
267,746	Morguard Real Estate Investment Trust	4,484,516	4,755,169
275,000	Pure Industrial Real Estate Trust	1,298,928	1,259,500
231,000	RioCan Real Estate Investment Trust	5,855,856	6,308,610
	TOTAL CANADIAN EQUITIES	68,031,440	72,528,437
FOREIGN EQUITIES – 45.4%			
Australia – 1.8%			
323,960	Scentre Group	1,047,401	1,042,825
260,000	Westfield Corporation	2,829,900	1,871,133
		3,877,301	2,913,958
United States – 43.6%			
19,800	AvalonBay Communities, Inc.	2,657,972	3,003,037
26,400	Boston Properties, Inc.	2,837,818	3,327,813
128,100	Brixmor Property Group Inc.	2,920,629	3,139,840
44,600	CBS Outdoor Americas Inc.	1,456,014	1,554,962
80,000	Developers Diversified Realty Corporation	1,308,623	1,504,683
135,000	Duke Realty Corporation	1,934,710	2,615,486
84,000	Empire State Realty Trust, Inc.	1,154,108	1,478,652
120,000	Equity One, Inc.	2,932,868	3,020,035
34,000	Equity Residential Real Estate Investment Trust	2,120,132	2,285,190
26,800	Extra Space Storage Inc	1,274,767	1,522,929
191,300	General Growth Properties, Inc.	4,119,391	4,808,317
21,500	Health Care Real Estate Investment Trust, Inc.	1,383,675	1,437,477
34,000	Kilroy Realty Corporation	1,972,180	2,259,074
59,500	Kimco Realty Corporation	1,392,421	1,458,713
42,000	LaSalle Hotel Properties	1,298,003	1,592,688
32,000	Macerich Company, The	1,966,025	2,278,277
122,000	ProLogis	4,982,253	5,348,091
16,200	Public Storage Real Estate Investment Trust	2,791,656	2,960,742
178,000	Retail Opportunity Investments Corp.	2,696,133	2,987,112
38,900	Simon Property Group, Inc.	6,081,174	6,900,691
38,000	Sovran Self Storage Inc.	3,142,816	3,131,126
78,100	Ventas, Inc.	5,132,260	5,340,869
16,100	Vornado Realty Trust Real Estate Investment Trust	1,387,208	1,832,965
95,000	Weyerhaeuser Company	3,171,007	3,353,692
		62,113,843	69,142,461
	TOTAL FOREIGN EQUITIES	65,991,144	72,056,419
	TOTAL INVESTMENT PORTFOLIO	134,022,584	144,584,856
	Currency Forward Contracts – 0.5%		860,293
	OTHER ASSETS, LESS LIABILITIES – 8.5%		13,593,307
	NET ASSETS – 100.0%		159,038,456

For equities, all common shares unless otherwise noted.

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

Scotia Private Real Estate Income Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	1,435,857	Australian Dollar	1,415,000	1,422,382	13,475
Aug. 14, 2014	Canadian Dollar	45,234,200	U.S. Dollar	41,566,000	44,400,530	833,669
Aug. 14, 2014	Canadian Dollar	2,731,701	U.S. Dollar	2,545,000	2,718,552	13,149
						860,293

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

Scotia Private Real Estate Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund investment objective aims to achieve a high level of total investment return, consisting of income and capital gains. It invests primarily in equity and debt securities of real estate assets located anywhere in the world.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$123,422,915	$46,059,424
Revaluation of Investments at FVTPL	179,829	29,502
Net assets attributable to holders of redeemable units	$123,602,744	$46,088,926

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(1,870,742)
Revaluation of Investments at FVTPL	144,242
Increase (decrease) in net assets attributable to holders of redeemable units	$(1,726,500)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	23,817,817	15.0	2,381,782	1.5
Australian Dollar	1,491,575	0.9	149,158	0.1
Total	25,309,392	15.9	2,530,940	1.6

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	39,756,859	32.2	3,975,686	3.2
European Euro	561,644	0.5	56,164	0.1
Australian Dollar	411,721	0.3	41,172	0.0
Total	40,730,224	33.0	4,073,022	3.3

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	3,555,465	7.7	355,547	0.8
Australian Dollar	1,973,796	4.3	197,380	0.4
British Pound	888,644	1.9	88,864	0.2
Total	6,417,905	13.9	641,791	1.4

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 91.0% (December 31, 2013 – 91.3%, January 1, 2013 – 39.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $14,458,486 (December 31, 2013 – $11,265,165, January 1, 2013 – $1,819,847). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,008,289	$ –	$126,366	$ –	$1,381,900
Unrealized loss on currency forward contracts	–	–	–	49,167	–	–
Redeemable units	159,038,456	–	123,602,744	–	46,088,926	–
	$159,038,456	$2,008,289	$123,602,744	$175,533	$46,088,926	$1,381,900

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	45.6	48.6	25.6
Foreign Equities	45.4	42.7	13.9
Currency Forward Contracts	0.5	0.1	–

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$141,670,898	$2,913,958	$ –	$144,584,856
Currency Forward Contracts – Assets	–	860,293	–	860,293
	$141,670,898	3,774,251	$ –	$145,445,149

Scotia Private Real Estate Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$109,740,331	$3,091,145	$ –	$112,831,476
Currency Forward Contracts – Assets	–	110,903	–	110,903
	109,740,331	3,202,048	–	112,942,379
Currency Forward Contracts – Liabilities	–	(49,167)	–	(49,167)
	$109,740,331	$3,152,881	$ –	$112,893,212

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 15,365,537	$2,862,439	$ –	$ 18,227,976

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private North American Dividend Pool (Unaudited)
(formerly, Scotia Private North American Equity Pool)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$71,536,599	$69,377,985	$66,202,398
Unrealized gain on currency forward contracts	–	62,155	–
Cash	1,954,259	1,872,142	2,387,629
Accrued investment income	187,844	175,786	157,533
Subscriptions receivable	20,588	19,536	–
	73,699,290	71,507,604	68,747,560
LIABILITIES			
Current liabilities			
Payable for securities purchased	234,000	–	–
Redemptions payable	8,605	61,037	96,584
Accrued expenses	10,632	–	–
Unrealized loss on currency forward contracts	–	85,257	–
	253,237	146,294	96,584
Net Assets attributable to holders of redeemable units	$73,446,053	$71,361,310	$68,650,976
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series M Units	$73,446,053	$71,361,310	$68,650,976
UNITS OUTSTANDING			
Series M Units	6,015,276	6,259,984	7,396,603
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series M Units	$ 12.21	$ 11.40	$ 9.28

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$1,055,403	$ 972,432
Interest for distribution purposes	4,068	2,510
Net realized gain (loss) on non-derivative financial assets	2,614,531	1,919,645
Net realized gain (loss) on currency forwards	(302,994)	–
Net gain (loss) foreign exchange	28,064	63,972
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,588,551	2,764,060
Change in unrealized appreciation (depreciation) of currency forwards	23,102	11,510
Net gain (loss) on investments	5,010,725	5,734,129
Securities lending	1,118	2,642
Total income (loss)	5,011,843	5,736,771
EXPENSES		
Management fees (note 5)	35,480	33,302
Harmonized Sales Tax/Goods and Services Tax	4,954	4,793
Audit fees	653	826
Independent Review Committee fees	106	117
Custodian fees	1,533	2,464
Filing fees	4,688	7,086
Legal fees	225	328
Unitholder reporting costs	2,210	2,597
Unitholder administration and service fees	4,683	3,483
Overdraft charges	18	217
Foreign withholding taxes/tax reclaims	50,698	51,303
Transaction costs	12,862	38,186
Total expenses	118,110	144,702
Net expenses	118,110	144,702
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$4,893,733	$5,592,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M Units	$4,893,733	$5,592,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series M Units	$ 0.81	$ 0.81
WEIGHTED AVERAGE NUMBER OF UNITS		
Series M Units	6,066,956	6,908,579

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private North American Dividend Pool (Unaudited – Continued)
(formerly, Scotia Private North American Equity Pool)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series M Units	$71,361,310	$68,650,976
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M Units	4,893,733	5,592,069
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M Units	4,524,801	1,584,693
Payments on redemption		
Series M Units	(7,333,791)	(9,970,897)
	(2,808,990)	(8,386,204)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M Units	2,084,743	(2,794,135)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series M Units	$73,446,053	$65,856,841

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 4,893,733	$ 5,592,069
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(2,614,531)	(1,919,645)
Net realized gain (loss) foreign exchange on cash	(28,064)	(63,972)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,588,551)	(2,764,059)
Change in unrealized appreciation (depreciation) of forward currency contracts	(23,102)	(11,510)
Purchases of non-derivative financial assets	(7,232,344)	(14,935,623)
Proceeds from sale of non-derivative financial assets	9,497,950	21,235,858
Transaction costs	12,862	38,186
Accrued investment income	(12,058)	(9,510)
Accrued expenses	10,632	8,715
Net cash provided by (used in) operating activities	2,916,527	7,170,509
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,523,749	1,569,728
Amounts paid on redemption of redeemable units	(7,386,223)	(9,862,261)
Net cash provided by (used in) financing activities	(2,862,474)	(8,292,533)
Net gain (loss) foreign exchange on cash	28,064	63,972
Net increase (decrease) in cash	54,053	(1,222,024)
Cash at beginning of period	1,872,142	2,387,629
CASH AT END OF PERIOD	$ 1,954,259	$ 1,329,577
Interest received(1)	2,325	3,869
Dividends received, net of withholding taxes(1)	994,390	910,260

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.4%			
CANADIAN EQUITIES – 55.5%			
Energy – 13.9%			
13,600	ARC Resources Ltd.	367,423	441,864
8,200	Baytex Energy Corporation	337,493	403,850
22,380	Canadian Natural Resources Ltd.	726,946	1,097,291
27,600	Cenovus Energy Inc.	922,854	954,684
19,500	Crescent Point Energy Corp.	808,085	922,155
22,900	Enbridge Inc.	991,205	1,159,427
15,420	EnCana Corporation	412,209	389,818
8,760	Imperial Oil Ltd.	375,710	492,575
10,500	Mullen Group Limited	237,122	322,560
39,540	Suncor Energy, Inc.	1,718,246	1,799,070
31,600	TransCanada Corporation	1,117,105	1,609,388
8,500	Vermilion Energy, Inc.	448,177	631,125
		8,462,575	10,223,807
Materials – 3.6%			
3,500	Agrium Inc.	362,023	342,125
28,240	Goldcorp, Inc.	1,154,662	840,987
18,530	Potash Corporation of Saskatchewan Inc.	813,346	751,947
30,470	Teck Resources Ltd., Class B	961,752	742,249
		3,291,783	2,677,308
Industrials – 3.4%			
16,500	Black Diamond Group Ltd.	353,119	566,280
28,340	Canadian National Railway Company	796,271	1,966,796
		1,149,390	2,533,076
Consumer Discretionary – 4.8%			
23,000	Aimia Inc	357,007	429,640
3,000	AutoCanada Inc.	234,000	237,090
3,720	Canadian Tire Corporation, Limited, Class A	244,702	380,816
4,200	Magna International Inc.	177,557	482,412
16,700	News Corporation, Class A	275,106	319,626
25,500	Shaw Communications, Inc., Class B	587,307	697,680
26,110	Thomson Reuters Corporation	876,123	1,014,374
		2,751,802	3,561,638
Consumer Staples – 2.0%			
16,900	Loblaw Companies Limited	761,573	804,778
10,430	Saputo Inc.	381,640	666,790
		1,143,213	1,471,568
Health Care – 2.0%			
12,600	Catamaron Corporation	634,090	593,712
6,700	Valeant Pharmaceuticals International, Inc.	572,968	904,098
		1,207,058	1,497,810
Financials – 21.5%			
18,900	Bank of Montreal	1,200,603	1,485,162
16,000	Bank of Nova Scotia, The	994,880	1,138,240
14,200	Brookfield Asset Management Inc., Class A	550,594	667,542
22,120	Canadian Imperial Bank of Commerce	1,594,056	2,147,852
23,730	Great-West Lifeco Inc.	640,968	716,171
13,490	Intact Financial Corporation	538,429	992,594
565	iShares S&P/TSX 60 Index ETF, Put Options, $21.00, Aug. 16, 2014	8,475	5,368
736	iShares S&P/TSX 60 Index ETF, Put Options, $21.50, Aug.16, 2014	19,504	12,880
25,180	Manulife Financial Corporation	480,625	534,068
22,400	National Bank of Canada	704,195	1,013,824
33,160	Power Corporation of Canada	938,600	983,194
37,020	Royal Bank of Canada	1,684,486	2,823,886
15,910	Sun Life Financial Inc.	478,241	623,990
46,420	Toronto-Dominion Bank, The	1,447,498	2,549,852
		11,281,154	15,694,623

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Private North American Dividend Pool (Unaudited – Continued)
(formerly, Scotia Private North American Equity Pool)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Telecommunication Services – 4.3%			
18,620	BCE Inc.	617,639	901,208
9,700	Manitoba Telecom Services Inc.	272,570	300,118
26,680	Rogers Communications, Inc., Class B	994,515	1,145,639
20,100	TELUS Corporation	693,869	799,377
		2,578,593	3,146,342
	TOTAL CANADIAN EQUITIES	31,865,568	40,806,172
UNITED STATES EQUITIES – 41.9%			
Energy – 4.3%			
3,500	Anadarko Petroleum Corporation	312,650	408,702
4,000	Chevron Corporation	512,431	556,938
11,600	Exxon Mobil Corporation	1,005,107	1,245,279
8,420	Occidental Petroleum Corporation	776,422	921,597
		2,606,610	3,132,516
Materials – 1.6%			
8,500	E.I. du Pont de Nemours and Company	420,359	593,288
11,000	Nucor Corporation	510,482	577,965
		930,841	1,171,253
Industrials – 4.8%			
3,400	Boeing Company, The	470,541	460,792
6,500	Danaher Corporation	417,551	545,816
39,140	General Electric Company	623,255	1,097,360
5,390	Honeywell International Inc.	311,064	534,348
5,200	Stanley Black & Decker Inc.	475,027	487,108
3,600	Union Pacific Corporation	288,296	383,105
		2,585,734	3,508,529
Consumer Discretionary – 5.3%			
4,060	Comcast Corporation, Class A	123,781	232,510
4,900	DIRECTV	260,490	444,395
7,550	Family Dollar Stores, Inc.	439,938	532,738
6,930	McDonald's Corporation	615,453	744,797
2,200	Polaris Industries Inc	296,188	305,682
6,100	Target Corporation	392,817	377,028
5,900	VF Corporation	225,029	396,453
8,930	Viacom Inc., Class B	464,989	826,273
		2,818,685	3,859,876
Consumer Staples – 3.0%			
10,480	CVS Caremark Corporation	626,180	842,400
8,750	Philip Morris International Inc.	763,214	786,794
6,935	Procter & Gamble Company, The	449,492	581,271
		1,838,886	2,210,465
Health Care – 7.1%			
10,800	Abbott Laboratories	380,416	471,076
20,000	AbbVie Inc.	792,373	1,203,619
8,000	Bristol-Myers Squibb Company	459,748	414,023
6,600	Cardinal Health, Inc.	350,340	482,639
4,710	Johnson & Johnson	322,469	525,525
4,900	Medtronic, Inc.	230,822	333,388
8,800	Merck & Co., Inc.	398,296	543,111
28,580	Pfizer Inc.	682,566	904,959
5,700	Teva Pharmaceutical Industries Ltd. ADR	301,825	318,768
		3,918,855	5,197,108

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
UNITED STATES EQUITIES (cont'd)			
Financials – 8.1%			
7,500	Aflac, Inc.	381,663	498,085
4,000	BB&T Corporation	166,819	168,263
4,800	Chubb Corporation, The	366,278	472,068
7,000	Cincinnati Financial Corporation	289,586	358,760
20,200	Citigroup Inc.	928,028	1,015,021
19,000	Fifth Third Bancorp	314,646	432,767
5,300	Franklin Resources, Inc.	269,051	327,129
49	SPDR S&P 500 ETF Trust Put Options $192.00 Aug. 16, 2014	17,388	8,260
52	SPDR S&P 500 ETF Trust, Put Options, $195.00, Aug.16, 2014	16,788	13,203
14,400	JPMorgan Chase & Co.	678,020	884,657
13,870	U.S. Bancorp	348,026	640,792
20,220	Wells Fargo & Company	575,282	1,133,484
		4,351,575	5,952,489
Information Technology – 7.1%			
11,230	Agilent Technologies, Inc.	465,803	687,992
5,005	Apple Inc.	284,545	496,207
8,190	Automatic Data Processing, Inc.	527,350	692,708
585	Google Inc. Class A	375,266	364,896
585	Google Inc. Class C	–	359,036
1,680	International Business Machines Corporation	285,805	324,820
5,500	MasterCard, Inc., Class A	451,726	431,098
11,500	Microsoft Corporation	311,825	511,607
12,200	Oracle Corporation	404,930	527,520
10,100	QUALCOMM, Inc.	664,819	853,394
		3,772,069	5,249,278
Telecommunication Services – 0.6%			
11,900	AT&T Inc.	418,470	448,913
	TOTAL UNITED STATES EQUITIES	23,241,725	30,730,427
	TOTAL INVESTMENT PORTFOLIO	55,107,293	71,536,599
	OTHER ASSETS, LESS LIABILITIES – 2.6%		1,909,454
	NET ASSETS – 100.0%		73,446,053

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$71,329,801	$68,588,105
Revaluation of Investments at FVTPL	31,509	62,871
Net assets attributable to holders of redeemable units	$71,361,310	$68,650,976

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$5,585,078
Revaluation of Investments at FVTPL	6,991
Increase (decrease) in net assets attributable to holders of redeemable units	$5,592,069

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	31,236,528	42.5	3,123,653	4.3
Total	31,236,528	42.5	3,123,653	4.3

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	22,166,003	31.1	2,216,600	3.1
Total	22,166,003	31.1	2,216,600	3.1

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	26,826,566	39.1	2,682,657	3.9
Total	26,826,566	39.1	2,682,657	3.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.4% (December 31, 2013 – 97.2%, January 1, 2013 – 96.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $7,153,660 (December 31, 2013 – $6,934,648, January 1, 2013 – $6,613,953). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$253,237	$ –	$ 61,037	$ –	$96,584
Unrealized loss on currency forward contracts	–	–	–	85,257	–	–
Redeemable units	73,446,053	–	71,361,310	–	68,650,976	–
	$73,446,053	$253,237	$71,361,310	$146,294	$68,650,976	$96,584

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	13.9	12.6	15.1
Materials	3.6	3.1	9.3
Industrials	3.4	3.8	3.3
Consumer Discretionary	4.8	4.3	4.0
Consumer Staples	2.0	2.2	2.2
Health Care	2.0	1.9	0.6
Financials	21.5	20.8	19.7
Telecommunication Services	4.3	4.7	3.1
United States Equities	–	–	–
Index Units	–	3.2	2.9
Energy	4.3	1.7	0.8
Materials	1.6	4.7	4.3
Industrials	4.8	6.3	7.6
Consumer Discretionary	5.3	2.9	4.1
Consumer Staples	3.0	7.4	5.8
Health Care	7.1	8.3	5.5
Financials	8.1	7.9	7.1
Information Technology	7.1	1.4	1.0
Telecommunication Services	0.6	–	–
Currency Forward Contracts	–	12.6	15.1

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$71,496,888	$ –	$ –	$71,496,888
Options	39,711	–	–	$ 39,711
	$71,536,599	$ –	$ –	$71,536,599

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$69,375,361	$ –	$ –	$69,375,361
Currency Spot Contracts – Assets	–	62,155	–	62,155
	69,375,361	62,155	–	69,437,516
Options (Put)	2,624	–	–	2,624
Currency Forward Contracts – Liabilities	–	(85,257)	–	(85,257)
	2,624	(85,257)	–	(82,633)
	$69,377,985	$(23,102)	$ –	$69,354,883

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$66,190,457	$ –	$ –	$66,190,457
Options (Put)	11,941	–	–	11,941
	$66,202,398	$ –	$ –	$66,202,398

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$126,766,385	$123,497,781	$68,742,124
Unrealized gain on currency spot contracts	–	1,003	–
Unrealized gain on currency forward contracts	–	–	17,119
Cash	31,751,166	11,209,023	23,074,261
Accrued investment income	160,012	152,544	106,588
Receivable for securities sold	16,408	4,024,270	–
Subscriptions receivable	33,704	117,978	12,100
	158,727,675	139,002,599	91,952,192
LIABILITIES			
Current liabilities			
Payable for securities purchased	891,817	1,895,192	205,299
Redemptions payable	138,052	–	–
Accrued expenses	54,053	–	–
Unrealized loss on currency spot contracts	12	–	467
Unrealized loss on currency forward contracts	–	192,924	–
	1,083,934	2,088,116	205,766
Net Assets attributable to holders of redeemable units	$157,643,741	$136,914,483	$91,746,426
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 28,382,555	$ 17,900,529	$ 531,034
Series I Units	$129,261,186	$119,013,954	$91,215,392
UNITS OUTSTANDING			
Series A Units	2,170,328	1,402,081	52,171
Series I Units	9,693,904	9,237,322	8,948,215
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.08	$ 12.77	$ 10.18
Series I Units	$ 13.33	$ 12.88	$ 10.19

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,953,817	$ 1,394,841
Interest for distribution purposes	174,532	99,123
Capital gains distributions received	(3,601)	1,549
Net realized gain (loss) on non-derivative financial assets	16,984,234	1,949,443
Net realized gain (loss) on currency forwards	(4,083,264)	(186,646)
Net gain (loss) foreign exchange	(55,658)	(119,961)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(9,674,277)	13,236,455
Change in unrealized appreciation (depreciation) of currency spots	(1,015)	(2,643)
Change in unrealized appreciation (depreciation) of currency forwards	192,924	(1,168,196)
Net gain (loss) on investments	5,487,692	15,203,965
Securities lending	373	–
Other income	1,102	93
Total income (loss)	5,489,167	15,204,058
EXPENSES		
Management fees (note 5)	231,419	50,388
Harmonized Sales Tax/Goods and Services Tax	22,793	6,377
Audit fees	1,812	1,221
Independent Review Committee fees	223	181
Custodian fees	2,121	786
Filing fees	10,636	–
Legal fees	477	440
Unitholder reporting costs	3,377	8,665
Unitholder administration and service fees	14,043	6,036
Overdraft charges	–	205
Foreign withholding taxes/tax reclaims	315,806	243,930
Transaction costs	132,392	156,304
Total expenses	735,099	474,533
Absorbed expenses	–	(10)
Net expenses	735,099	474,523
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 4,754,068	$14,729,535
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 525,538	$ 446,590
Series I Units	$ 4,228,530	$14,282,945
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.27	$ 0.91
Series I Units	$ 0.44	$ 1.62
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,941,284	488,868
Series I Units	9,558,038	8,819,998

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. Dividend Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 17,900,529	$ 531,034
Series I Units	119,013,954	91,215,392
	136,914,483	91,746,426
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	525,538	446,590
Series I Units	4,228,530	14,282,945
	4,754,068	14,729,535
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	12,285,169	9,749,793
Series I Units	27,421,618	–
Payments on redemption		
Series A Units	(2,328,681)	(410,682)
Series I Units	(21,402,916)	(2,199,981)
	15,975,190	7,139,130
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	10,482,026	9,785,701
Series I Units	10,247,232	12,082,964
	20,729,258	21,868,665
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	28,382,555	10,316,735
Series I Units	129,261,186	103,298,356
	$157,643,741	$113,615,091

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 4,754,068	$ 14,729,535
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(16,984,234)	(1,949,443)
Net realized gain (loss) foreign exchange on cash	55,658	119,961
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	9,674,277	(13,236,455)
Change in unrealized appreciation (depreciation) of forward currency contracts	(192,924)	1,168,196
Change in unrealized appreciation (depreciation) of currency spot contracts	1,015	2,643
Purchases of non-derivative financial assets	(120,661,702)	(64,460,598)
Proceeds from sale of non-derivative financial assets	127,575,150	50,704,655
Transaction costs	132,392	156,304
Accrued investment income	(7,468)	(64,034)
Accrued expenses	54,053	19,843
Net cash provided by (used in) operating activities	4,400,285	(12,809,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	39,791,061	9,701,210
Amounts paid on redemption of redeemable units	(23,593,545)	(2,610,663)
Net cash provided by (used in) financing activities	16,197,516	7,090,547
Net gain (loss) foreign exchange on cash	(55,658)	(119,961)
Net increase (decrease) in cash	20,597,801	(5,718,847)
Cash at beginning of period	11,209,023	23,074,261
CASH AT END OF PERIOD	$ 31,751,166	$ 17,235,453
Interest received(1)	157,633	107,639
Dividends received, net of withholding taxes(1)	1,647,442	1,078,360

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 80.4%			
Energy – 5.3%			
100,000	Plains All American Pipeline LP	6,029,603	6,403,760
15,000	Schlumberger Limited	1,292,955	1,887,522
		7,322,558	8,291,282
Materials – 0.9%			
20,000	E.I. du Pont de Nemours and Company	1,085,687	1,395,972
Industrials – 17.7%			
10,000	3M Co.	964,601	1,528,154
10,000	GATX Corp.	460,845	714,149
30,000	Honeywell International Inc.	2,704,830	2,974,108
50,000	Norfolk Southern Corporation	5,313,328	5,494,538
20,000	Parker-Hannifin Corporation	1,967,546	2,682,698
20,000	Ryder System, Inc.	1,043,796	1,879,574
9,904	The L.S. Starrett Company	152,869	161,397
30,000	Union Pacific Corporation	2,370,741	3,192,545
40,000	United Parcel Service, Inc., Class B	3,673,421	4,380,908
40,000	United Technologies Corporation	4,312,057	4,926,063
		22,964,034	27,934,134
Consumer Discretionary – 4.8%			
30,000	Home Depot Inc., The	2,656,027	2,591,162
10,000	PetSmart Inc.	647,768	637,976
30,000	Viacom Inc., Class B	2,873,795	2,775,834
20,000	Wyndham Worldwide Corporation	1,349,599	1,615,636
		7,527,189	7,620,608
Consumer Staples – 16.5%			
55,000	Anheuser-Busch InBev SPN ADR	6,022,386	6,747,232
40,000	Kimberly-Clark Corporation	4,234,963	4,745,343
100,000	Kroger Co., The	4,029,334	5,271,833
25,000	Procter & Gamble Company, The	1,924,920	2,095,424
20,000	Wal-Mart Stores, Inc.	1,669,674	1,601,020
70,000	Walgreen Company	5,345,039	5,534,118
		23,226,316	25,994,970
Health Care – 13.1%			
64,500	AbbVie Inc.	2,880,787	3,881,670
14,000	Amgen Inc.	1,415,016	1,767,960
15,000	Becton, Dickinson and Company	1,280,244	1,892,643
50,000	Johnson & Johnson	4,482,475	5,578,819
48,000	Merck & Co., Inc.	2,247,791	2,962,426
10,000	Teleflex Incorporated	791,395	1,126,592
40,000	UnitedHealth Group Incorporated	3,433,047	3,487,955
		16,530,755	20,698,065
Financials – 12.9%			
120,000	Bank of New York Mellon Corporation, The	4,003,550	4,796,339
70,000	BankUnited	2,168,491	2,499,147
10,000	BlackRock, Inc.	2,557,535	3,409,275
140,000	Brookfield Property Partners LP	3,142,148	3,113,385
40,000	Starwood Property Trust Inc.	885,438	1,013,720
120,000	U.S. Bancorp	4,791,276	5,543,986
		17,548,438	20,375,852
Information Technology – 5.2%			
4,000	International Business Machines Corporation	810,157	773,380
120,000	Microsoft Corporation	4,743,161	5,338,511
25,000	QUALCOMM, Inc.	2,174,417	2,112,361
		7,727,735	8,224,252
Utilities – 4.0%			
140,000	Brookfield Infrastructure Partners LP	5,893,813	6,231,250
	TOTAL INVESTMENT PORTFOLIO	109,826,525	126,766,385
	Currency Spot Contracts – (0.0)%		(12)
	OTHER ASSETS, LESS LIABILITIES – 19.6%		30,877,368
	NET ASSETS – 100.0%		157,643,741

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	16,397	U.S. Dollar	15,380	16,409	(12)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

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

Scotia U.S. Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective aims to achieve a high level of total investment return, consisting of dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$136,871,595	$91,725,642
Revaluation of Investments at FVTPL	42,888	20,784
Net assets attributable to holders of redeemable units	$136,914,483	$91,746,426

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$14,671,612
Revaluation of Investments at FVTPL	57,923
Increase (decrease) in net assets attributable to holders of redeemable units	$14,729,535

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	127,724,972	81.0	12,772,497	8.1
Total	127,724,972	81.0	12,772,497	8.1

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	61,293,895	44.8	6,129,390	4.5
British Pound	1,553,752	1.1	155,375	0.1
European Euro	641,753	0.5	64,175	0.1
Total	63,489,400	46.4	6,348,940	4.6

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	44,475,786	48.5	4,447,579	4.9
European Euro	3,270,260	3.6	327,026	0.4
British Pound	698,563	0.8	69,856	0.1
Total	48,444,609	52.9	4,844,461	5.3

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 80.4% (December 31, 2013 – 90.2%, January 1, 2013 – 75.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $12,676,639 (December 31, 2013 – $12,345,489, January 1, 2013 – $6,872,134). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	–	$1,083,922	–	$1,895,192	–	$205,299
Unrealized loss on currency spot contracts	–	12	–	–	–	467
Unrealized loss on currency forward contracts	–	–	–	192,924	–	–
Redeemable units	$157,643,741	–	$136,914,483	–	$91,746,426	–
	$157,643,741	$1,083,934	$136,914,483	$2,088,116	$91,746,426	$205,766

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	–	1.9	2.2
Industrials	–	–	0.9
Financials	–	2.6	3.2
Utilities	–	–	0.7
United States Equities			
Energy	5.3	1.4	4.6
Materials	0.9	2.7	7.8
Industrials	17.7	16.4	11.5
Consumer Discretionary	4.8	5.8	4.2
Consumer Staples	16.5	6.6	3.5
Health Care	13.1	17.5	7.6
Financials	12.9	19.0	17.3
Information Technology	5.2	5.2	6.5
Utilities	4.0	–	–
Foreign Equities	–	11.1	5.0
Currency Spot Contracts	(0.0)	0.0	0.0
Currency Forward Contracts	–	(0.1)	0.0

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$126,766,385	$ –	$ –	$126,766,385
Currency Forward Contracts–Liabilities	(12)	–	–	(12)
	$126,766,373	$ –	$ –	$126,766,373

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$118,789,812	$4,707,969	$ –	$123,497,781
Currency Spot Contracts–Assets	1,003	–	–	1,003
	118,790,815	4,707,969	–	123,498,784
Currency Forward Contracts–Liabilities	–	(192,924)	–	(192,924)
	$118,790,815	$4,515,045	$ –	$123,305,860

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 64,773,302	$3,968,822	$ –	$ 68,742,124
Currency Forward Contracts–Assets	–	17,119	–	17,119
	64,773,302	3,985,941	0	68,759,243
Currency Spot Contracts–Liabilities	(467)	–	–	(467.00)
	$ 64,772,835	$3,985,941	$ –	$ 68,758,776

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private U.S. Dividend Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$873,263,120	$691,510,791	$269,906,700
Unrealized gain on currency forward contracts	–	1,312,823	159,820
Cash	45,985,697	34,455,843	17,303,894
Accrued investment income	1,464,014	1,299,909	496,883
Subscriptions receivable	1,194,030	1,929,038	1,576,890
	921,906,861	730,508,404	289,444,187
LIABILITIES			
Current liabilities			
Distributions payable	264,452	–	1,422
Redemptions payable	557,191	309,665	75,685
Accrued expenses	88,283	–	–
Unrealized loss on currency spot contracts	59	1,196	2,410
Unrealized loss on currency forward contracts	–	1,340,144	318,114
	909,985	1,651,005	397,631
Net Assets attributable to holders of redeemable units	$920,996,876	$728,857,399	$289,046,556
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$123,253,107	$ 28,694,385	$ 5,354,814
Series M Units	$797,743,769	$700,163,014	$283,691,742
UNITS OUTSTANDING			
Series I Units	8,523,514	2,028,814	515,689
Series M Units	51,606,942	46,312,112	25,558,059
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 14.46	$ 14.14	$ 10.38
Series M Units	$ 15.46	$ 15.12	$ 11.10

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$10,958,282	$ 4,946,682
Interest for distribution purposes	1,692	1,658
Net realized gain (loss) on non-derivative financial assets	18,264,734	7,746,395
Net realized gain (loss) on currency forwards	(6,118,113)	(656,283)
Net gain (loss) foreign exchange	(182,068)	988,582
Change in unrealized appreciation (depreciation) of non-derivative financial assets	7,413,021	58,587,230
Change in unrealized appreciation (depreciation) of currency spots	1,137	7,052
Change in unrealized appreciation (depreciation) of currency forwards	27,321	(717,304)
Net gain (loss) on investments	30,366,006	70,904,012
Securities lending	6,258	4,912
Total income (loss)	30,372,264	70,908,924
EXPENSES		
Management fees (note 5)	375,845	200,625
Harmonized Sales Tax/Goods and Services Tax	44,396	23,683
Audit fees	9,199	4,929
Independent Review Committee fees	1,270	714
Custodian fees	3,525	2,963
Filing fees	13,650	7,120
Legal fees	2,724	1,767
Unitholder reporting costs	4,309	3,566
Unitholder administration and service fees	56,589	21,874
Foreign withholding taxes/tax reclaims	1,299,993	716,645
Transaction costs	250,926	227,311
Net expenses	2,062,426	1,211,197
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$28,309,838	$69,697,727
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$ 3,850,197	$ 1,486,839
Series M Units	$24,459,641	$68,210,888
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 0.53	$ 1.91
Series M Units	$ 0.50	$ 2.08
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	7,283,770	777,494
Series M Units	49,243,440	32,853,791

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$ 28,694,385	$ 5,354,814
Series M Units	700,163,014	283,691,742
	728,857,399	289,046,556
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	3,850,197	1,486,839
Series M Units	24,459,641	68,210,888
	28,309,838	69,697,727
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I Units	(1,300,307)	(89,917)
Series M Units	(7,983,225)	(3,600,613)
	(9,283,532)	(3,690,530)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	95,148,138	6,466,671
Series M Units	152,167,225	217,475,846
Reinvested distributions		
Series I Units	1,300,307	89,917
Series M Units	7,347,494	3,395,644
Payments on redemption		
Series I Units	(4,439,613)	(546,500)
Series M Units	(78,410,380)	(30,650,412)
	173,113,171	196,231,166
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	94,558,722	7,407,010
Series M Units	97,580,755	254,831,353
	192,139,477	262,238,363
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	123,253,107	12,761,824
Series M Units	797,743,769	538,523,095
	$920,996,876	$551,284,919

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 28,309,838	$ 69,697,727
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(18,264,734)	(7,746,395)
Net realized gain (loss) foreign exchange on cash	182,068	(988,582)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(7,413,021)	(58,587,230)
Change in unrealized appreciation (depreciation) of forward currency contracts	(27,321)	717,304
Change in unrealized appreciation (depreciation) of currency spot contracts	(1,137)	(7,052)
Purchases of non-derivative financial assets	(257,902,984)	(220,767,506)
Proceeds from sale of non-derivative financial assets	101,577,484	40,894,840
Transaction costs	250,926	227,311
Accrued investment income	(164,105)	(494,878)
Accrued expenses	88,283	52,720
Net cash provided by (used in) operating activities	(153,364,703)	(177,001,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	248,050,370	220,013,681
Amounts paid on redemption of redeemable units	(82,602,467)	(31,032,939)
Distributions to unitholders of redeemable units	(371,278)	(93,932)
Net cash provided by (used in) financing activities	165,076,625	188,886,810
Net gain (loss) foreign exchange on cash	(182,068)	988,582
Net increase (decrease) in cash	11,711,922	11,885,069
Cash at beginning of period	34,455,843	17,303,894
CASH AT END OF PERIOD	$ 45,985,697	$ 30,177,545
Interest received(1)	1,658	1,736
Dividends received, net of withholding taxes(1)	9,494,219	3,735,081

(1) Classified as operating items.

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

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 94.6%			
Energy – 11.6%			
113,200	Anadarko Petroleum Corporation	10,191,656	13,218,582
128,900	Chevron Corporation	15,293,738	17,947,318
258,700	Exxon Mobil Corporation	25,122,110	27,771,873
287,900	Kinder Morgan Inc/Delaware	10,960,781	11,137,105
152,010	Occidental Petroleum Corporation	13,595,701	16,638,003
161,100	Schlumberger Limited	14,650,123	20,271,988
		89,814,109	106,984,869
Materials – 4.7%			
140,600	E.I. du Pont de Nemours and Company	6,700,623	9,813,680
156,500	International Paper Company	8,343,124	8,424,059
66,400	Monsanto Company	7,934,785	8,835,010
314,800	Nucor Corporation	14,408,323	16,540,316
		37,386,855	43,613,065
Industrials – 11.6%			
92,600	Boeing Company, The	12,815,310	12,549,812
176,940	Danaher Corporation	10,219,668	14,857,946
809,800	General Electric Company	18,336,120	22,704,188
158,040	Honeywell International Inc.	11,973,518	15,667,599
265,600	Robert Half International, Inc.	11,962,302	13,527,369
128,600	Stanley Black & Decker Inc.	10,716,482	12,046,560
149,700	Union Pacific Corporation	9,844,279	15,930,799
		85,867,679	107,284,273
Consumer Discretionary – 12.2%			
246,810	Comcast Corporation, Class A	9,064,035	14,134,424
105,100	DIRECTV	5,462,417	9,531,815
206,360	Family Dollar Stores, Inc.	12,517,375	14,561,046
82,490	Home Depot Inc., The	5,211,147	7,124,832
148,890	McDonald's Corporation	14,198,860	16,001,855
358,600	News Corporation, Class A	5,907,388	6,863,341
68,000	Polaris Industries Inc	9,311,906	9,448,354
174,480	Target Corporation	10,495,206	10,784,239
111,100	VF Corporation	4,103,334	7,465,417
182,300	Viacom Inc., Class B	11,476,479	16,867,816
		87,748,147	112,783,139
Consumer Staples – 6.9%			
243,660	CVS Caremark Corporation	15,242,874	19,585,810
86,670	PepsiCo, Inc.	6,678,744	8,259,327
217,690	Philip Morris International Inc.	19,475,563	19,574,542
122,310	Procter & Gamble Company, The	8,760,812	10,251,654
76,730	Wal-Mart Stores, Inc.	5,715,003	6,142,313
		55,872,996	63,813,646
Health Care – 16.1%			
195,300	Abbott Laboratories	6,989,642	8,518,617
489,400	AbbVie Inc.	21,837,562	29,452,548
344,400	Agilent Technologies, Inc.	16,857,706	21,099,249

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
209,000	Bristol-Myers Squibb Company	12,007,084	10,816,342
173,600	Cardinal Health, Inc.	9,086,032	12,694,873
203,900	Catamaran Corporation	10,940,451	9,606,145
77,970	Johnson & Johnson	5,314,685	8,699,610
129,700	Medtronic, Inc.	6,055,677	8,824,565
196,500	Merck & Co., Inc.	9,021,932	12,127,430
572,300	Pfizer Inc.	15,144,475	18,121,348
155,100	Teva Pharmaceutical Industries Ltd. ADR	8,148,544	8,673,845
		121,403,790	148,634,572
Financials – 16.4%			
173,100	Aflac, Inc.	8,369,531	11,495,802
187,700	American International Group, Inc.	10,134,061	10,929,509
191,900	BB&T Corporation	7,980,251	8,072,436
136,060	Chubb Corporation, The	10,937,598	13,381,154
175,600	Cincinnati Financial Corporation	6,959,321	8,999,748
481,600	Citigroup Inc.	22,965,414	24,199,714
412,800	Fifth Third Bancorp	6,205,814	9,402,437
230,700	Franklin Resources, Inc.	12,243,085	14,239,389
414,400	JPMorgan Chase & Co.	20,511,226	25,458,451
1,436	SPDR S&P 500 ETF Trust Put Options $192.00 Aug. 16, 2014	509,584	242,055
1,530	SPDR S&P 500 ETF Trust, Put Options, $195.00, Aug. 16, 2014	493,949	388,482
238,700	U.S. Bancorp	8,321,936	11,027,913
231,200	Wells Fargo & Company	7,728,436	12,960,510
		123,360,206	150,797,600
Information Technology – 14.3%			
152,600	Apple Inc.	10,730,610	15,129,108
257,940	Automatic Data Processing, Inc.	18,465,242	21,816,505
554,600	EMC Corporation	15,360,920	15,584,701
10,000	Google Inc. Class A	9,096,128	6,237,545
10,000	Google Inc. Class C		6,137,367
47,400	International Business Machines Corporation	9,510,990	9,164,553
197,500	MasterCard, Inc., Class A	16,407,241	15,480,322
299,090	Microsoft Corporation	10,431,520	13,305,794
332,500	Oracle Corporation	11,085,504	14,377,094
175,300	QUALCOMM, Inc.	11,339,298	14,811,872
		112,427,453	132,044,861
Telecommunication Services – 0.8%			
193,700	AT&T Inc.	7,463,757	7,307,095
	TOTAL INVESTMENT PORTFOLIO	721,344,992	873,263,120
	Currency Spot Contracts – (0.0)%		(59)
	OTHER ASSETS, LESS LIABILITIES – 5.4%		47,733,815
	NET ASSETS – 100.0%		920,996,876

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 3, 2014	U.S. Dollar	391,209	Canadian Dollar	417,420	417,420	(59)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

For equities, all common shares unless otherwise noted.

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

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a high level of total investment return, including dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$728,770,806	$289,002,049
Revaluation of Investments at FVTPL	86,592	44,507
Net assets attributable to holders of redeemable units	$728,857,399	$289,046,556

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$69,649,062
Revaluation of Investments at FVTPL	48,665
Increase (decrease) in net assets attributable to holders of redeemable units	$69,697,727

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	919,176,238	99.8	91,917,624	10.0
Total	919,176,238	99.8	91,917,624	10.0

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	488,075,262	67.0	48,807,526	6.7
Total	488,075,262	67.0	48,807,526	6.7

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	241,102,444	83.4	24,110,244	8.3
Total	241,102,444	83.4	24,110,244	8.3

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 94.8% (December 31, 2013 – 94.9%, January 1, 2013 – 93.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $87,326,312 (December 31, 2013 – $69,142,420, January 1, 2013 – $26,986,219). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$909,926	$ –	$ 309,665	$ –	$ 77,107
Unrealized loss on currency spot contracts	–	59	–	1,196	–	2,410
Unrealized loss on currency forward contracts	–	–	–	1,340,144	–	318,114
Redeemable units	920,996,876	–	728,857,399	–	289,046,556	–
	$920,996,876	$909,985	$728,857,399	$1,651,005	$289,046,556	$397,631

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
United States Equities			
Energy	11.6	9.5	5.4
Materials	4.7	3.2	5.3
Industrials	11.6	11.0	14.2
Consumer Discretionary	12.2	14.4	15.2
Consumer Staples	6.9	8.1	12.7
Health Care	16.1	16.3	15.2
Financials	16.4	16.5	13.7
Information Technology	14.3	14.1	9.4
Telecommunication Services	0.8	1.8	1.5
Utilities	–	–	0.8
Currency Spot Contracts	0.0	–	–
Currency Forward Contracts	–	–	(0.1)

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$872,632,583	$ –	$ –	$872,632,583
Options	630,537	–	–	630,537
Currency Spot Contracts – Liabilities	(59)	–	–	(59)
	$873,263,061	$ –	$ –	$873,263,061

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$691,453,364	$ –	$ –	$691,453,364
Currency Forward Contracts – Assets	–	1,312,823	–	1,312,823
	691,453,364	1,312,823	–	692,766,187
Options (Put)	57,428	–	–	57,428
Currency Spot Contracts – Liabilities	(1,196)	–	–	(1,196)
Currency Forward Contracts – Liabilities	–	(1,340,144)	–	(1,340,144)
	56,232	(1,340,144)	–	(1,283,912)
	$691,509,596	$ (27,321)	$ –	$691,482,275

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$269,781,432	$ –	$ –	$269,781,432
Currency Forward Contracts – Assets	–	159,820	–	159,820
	269,781,432	159,820	–	269,941,252
Options (Put)	125,268	–	–	125,268
Currency Spot Contracts – Liabilities	(2,410)	–	–	(2,410)
Currency Forward Contracts – Liabilities	–	(318,114)	–	(318,114)
	122,858	(318,114)	–	(195,256)
	$269,904,290	$ (158,294)	$ –	$269,745,996

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private U.S. Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$328,698,898	$458,058,561	$476,117,126
Unrealized gain on currency forward contracts	–	–	205,719
Cash	8,240,561	10,395,058	25,495,225
Accrued investment income	259,152	354,393	295,443
Receivable for securities sold	15,327,280	–	12,760,530
Subscriptions receivable	181,357	541,212	667,069
	352,707,248	469,349,224	515,541,112
LIABILITIES			
Current liabilities			
Payable for securities purchased	16,616,009	–	9,405,497
Redemptions payable	66,341	257,672	1,729,951
Accrued expenses	39,708	–	–
Unrealized loss on currency forward contracts	–	–	45,091
	16,722,058	257,672	11,180,539
Net Assets attributable to holders of redeemable units	$335,985,190	$469,091,552	$504,360,573
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series I Units	$ 6,710,714	$158,070,740	$ 84,251,694
Series M Units	$329,274,476	$311,020,812	$420,108,879
UNITS OUTSTANDING			
Series I Units	587,571	14,569,468	10,368,524
Series M Units	28,821,704	28,641,821	51,667,808
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series I Units	$ 11.42	$ 10.85	$ 8.13
Series M Units	$ 11.42	$ 10.86	$ 8.13

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,340,362	$ 2,891,105
Interest for distribution purposes	7,240	(273,041)
Capital gains distributions received	–	–
Net realized gain (loss) on non-derivative financial assets	77,585,159	70,829,646
Net realized gain (loss) on currency forwards	–	(6,983,497)
Net gain (loss) foreign exchange	314,723	2,268,619
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(59,321,541)	222,855
Change in unrealized appreciation (depreciation) of currency forwards	–	(9,145,583)
Net gain (loss) on investments	20,925,943	59,810,104
Securities lending	2,542	591
Total income (loss)	20,928,485	59,810,695
EXPENSES		
Management fees (note 5)	160,468	187,980
Harmonized Sales Tax/Goods and Services Tax	20,769	24,484
Audit fees	4,039	5,788
Independent Review Committee fees	553	851
Custodian fees	5,462	5,143
Filing fees	6,215	8,014
Legal fees	1,163	2,093
Unitholder reporting costs	2,957	4,936
Unitholder administration and service fees	24,439	25,403
Overdraft charges	6	–
Foreign withholding taxes/tax reclaims	389,080	345,367
Transaction costs	674,495	877,719
Total expenses	1,289,646	1,487,778
Net expenses	1,289,646	1,487,778
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 19,638,839	$58,322,917
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I Units	$ 3,565,289	$12,512,457
Series M Units	$ 16,073,550	$45,810,460
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series I Units	$ 0.84	$ 1.00
Series M Units	$ 0.56	$ 1.05
WEIGHTED AVERAGE NUMBER OF UNITS		
Series I Units	4,229,037	12,482,798
Series M Units	28,735,469	43,714,324

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private U.S. Equity Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series I Units	$ 158,070,740	$ 84,251,694
Series M Units	311,020,812	420,108,879
	469,091,552	504,360,573
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I Units	3,565,289	12,512,457
Series M Units	16,073,550	45,810,460
	19,638,839	58,322,917
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	10,129,000	28,306,752
Series M Units	37,164,811	25,738,919
Payments on redemption		
Series I Units	(165,054,315)	(2,701,500)
Series M Units	(34,984,697)	(160,796,481)
	(152,745,201)	(109,452,310)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I Units	(151,360,026)	38,117,709
Series M Units	18,253,664	(89,247,102)
	(133,106,362)	(51,129,393)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series I Units	6,710,714	122,369,403
Series M Units	329,274,476	330,861,777
	$ 335,985,190	$ 453,231,180

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 19,638,839	$ 58,322,917
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(77,585,159)	(70,829,646)
Net realized gain (loss) foreign exchange on cash	(314,723)	(2,268,619)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	59,321,541	(222,855)
Change in unrealized appreciation (depreciation) of forward currency contracts	–	9,145,583
Purchases of non-derivative financial assets	(497,639,962)	(701,813,197)
Proceeds from sale of non-derivative financial assets	645,877,477	824,947,777
Transaction costs	674,495	877,719
Accrued investment income	95,241	81,426
Accrued expenses	39,708	37,326
Net cash provided by (used in) operating activities	150,107,457	118,278,431
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	47,653,666	54,399,498
Amounts paid on redemption of redeemable units	(200,230,343)	(164,476,523)
Net cash provided by (used in) financing activities	(152,576,677)	(110,077,025)
Net gain (loss) foreign exchange on cash	314,723	2,268,619
Net increase (decrease) in cash	(2,469,220)	8,201,406
Cash at beginning of period	10,395,058	25,495,225
CASH AT END OF PERIOD	$ 8,240,561	$ 35,965,250
Interest received(1)	7,713	–
Dividends received, net of withholding taxes(1)	2,046,051	2,354,123

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.8%			
Energy – 17.1%			
46,900	Cimarex Energy Co.	6,878,791	7,176,800
119,100	Devon Energy Corporation	10,073,824	10,088,697
54,300	EOG Resources, Inc.	6,361,693	6,767,659
92,200	Exxon Mobil Corporation	9,943,994	9,897,823
54,300	Helemerich & Payne, Inc.	6,514,467	6,724,501
76,400	Phillips 66 Company	6,618,554	6,554,405
82,400	Schlumberger Limited	9,254,342	10,368,788
		55,645,665	57,578,673
Materials – 6.1%			
66,800	LyondellBasell Industries NV, Class A	5,690,093	6,958,007
49,100	Martin Marietta Materials Inc.	6,921,065	6,916,293
30,000	PPG Industries, Inc.	6,254,302	6,725,948
		18,865,460	20,600,248
Industrials – 15.5%			
143,600	American Airlines Group Inc.	5,371,451	6,581,450
153,600	Delta Air Lines, Inc.	4,933,870	6,344,968
51,400	General Dynamics Corporation	6,569,094	6,391,139
139,500	ITT Corporation	6,250,452	7,165,199
49,900	Rockwell Automation, Inc.	5,972,417	6,661,656
62,600	Union Pacific Corporation	6,630,410	6,661,777
107,800	United Rental, Inc.	7,732,095	12,049,785
		43,459,789	51,855,974
Consumer Discretionary – 8.0%			
147,400	BorgWarner, Inc.	9,996,893	10,251,356
116,800	Comcast Corporation, Class A	6,674,080	6,688,954
107,800	Walt Disney Company, The	7,247,437	9,860,640
		23,918,410	26,800,950
Consumer Staples – 2.9%			
122,800	CVS Caremark Corporation	9,388,116	9,870,875
Health Care – 13.8%			
28,600	Actavis Inc.	6,041,729	6,772,568
106,400	Agilent Technologies, Inc.	6,682,135	6,518,467
19,200	Biogen Idec Inc.	6,624,561	6,458,651
74,400	Celgene Corporation	6,513,930	6,816,600
60,600	Johnson & Johnson	6,699,863	6,761,528
33,700	McKesson Corporation	6,506,858	6,694,771
105,100	Merck & Co., Inc.	6,688,641	6,486,478
		45,757,717	46,509,063
Financials – 10.1%			
66,800	American Express Company	5,509,808	6,759,889
48,100	Berkshire Hathaway Inc., Class B	6,609,465	6,494,480
202,000	Blackstone Group LP	6,441,208	7,206,435
196,500	Morgan Stanley	5,560,248	6,777,525
119,300	Wells Fargo & Company	6,563,558	6,687,668
		30,684,287	33,925,997
Information Technology – 24.3%			
138,500	Apple Inc.	11,917,919	13,731,202
299,500	Applied Materials, Inc.	6,967,868	7,205,203
244,300	Cisco Systems, Inc.	6,524,662	6,476,684
10,500	Google Inc. Class A	6,531,822	6,549,422
184,300	Hewlett-Packard Company	6,769,925	6,622,169
151,700	Microsoft Corporation	6,246,742	6,748,768
158,100	Oracle Corporation	7,189,201	6,836,146
78,600	QUALCOMM, Inc.	6,535,294	6,641,261
65,500	SanDisk Corporation	6,629,871	7,297,421
103,700	Tyco Electronics Ltd.	5,952,874	6,841,496
67,100	Western Digital Corporation	6,668,092	6,607,346
		77,934,270	81,557,118
	TOTAL INVESTMENT PORTFOLIO	305,653,714	328,698,898
	OTHER ASSETS, LESS LIABILITIES – 2.2%		7,286,292
	NET ASSETS – 100.0%		335,985,190

For equities, all common shares unless otherwise noted.

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

Scotia Private U.S. Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U.S. stock exchanges. The Fund may invest up to 10% of its assets in securities of companies located outside the U.S.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$469,021,112	$504,277,131
Revaluation of Investments at FVTPL	70,440	83,442
Net assets attributable to holders of redeemable units	$469,091,552	$504,360,573

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$58,337,260
Revaluation of Investments at FVTPL	(14,343)
Increase (decrease) in net assets attributable to holders of redeemable units	$58,322,917

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	335,038,152	99.7	33,503,815	10.0
Total	335,038,152	99.7	33,503,815	10.0

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	458,058,561	97.6	45,805,856	9.8

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	118,361,994	23.5	11,836,199	2.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.8% (December 31, 2013 – 97.6%, January 1, 2013 – 94.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $32,869,890 (December 31, 2013 – $45,798,812, January 1, 2013 – $47,603,368). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$16,722,058	$ –	$257,672	$ –	$11,135,448
Unrealized loss on currency forward contracts	–	–	–	–	–	45,091
Redeemable units	335,985,190	–	469,091,552	–	504,360,573	–
	$335,985,190	$16,722,058	$469,091,552	$257,672	$504,360,573	$11,180,539

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	June 30, 2014	December 31, 2013	January 1, 2013
Energy	17.1	6.1	9.5
Materials	6.1	4.9	–
Industrials	15.5	19.1	11.6
Consumer Discretionary	8.0	8.4	15.4
Consumer Staples	2.9	3.7	11.4
Health Care	13.8	13.4	6.8
Financials	10.1	21.4	17.3
Information Technology	24.3	20.6	22.5

Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$328,698,898	$ –	$ –	$328,698,898

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$458,058,561	$ –	$ –	$458,058,561

Scotia Private U.S. Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$476,117,126	$ –	$ –	$476,117,126
Currency Forward Contracts – Assets	–	205,719	–	205,719
	476,117,126	205,719	–	476,322,845
Currency Forward Contracts – Liabilities	–	(45,091)	–	(45,091)
	$476,117,126	$160,628	$ –	$476,277,754

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. Blue Chip Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$31,661,866	$29,671,137	$22,495,317
Commodities	–	–	691,470
Unrealized gain on currency forward contracts	129,740	474	–
Unrealized gain on swap contracts	82,651	118,033	–
Cash	2,807,812	2,936,536	2,447,138
Accrued investment income	28,922	32,485	15,033
Subscriptions receivable	6,577	29,949	5,901
	34,717,568	32,788,614	25,654,859
LIABILITIES			
Current liabilities			
Redemptions payable	30,776	16,705	7,799
Accrued expenses	75,950	–	–
Unrealized loss on currency forward contracts	13,041	76,382	98,984
	119,767	93,087	106,783
Net Assets attributable to holders of redeemable units	$34,597,801	$32,695,527	$25,548,076
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$34,597,801	$32,695,527	$25,548,076
UNITS OUTSTANDING			
Series A Units	3,945,329	3,887,064	4,002,872
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 8.77	$ 8.41	$ 6.38

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 238,738	$ 218,977
Interest for distribution purposes	1,931	2,864
Capital gains distributions received	–	–
Net realized gain (loss) on non-derivative financial assets	1,923,177	1,052,395
Net realized gain (loss) on currency forwards	(218,347)	(458,845)
Net realized gain (loss) on swap contracts	142,593	124,379
Net gain (loss) foreign exchange	28,182	68,693
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(386,256)	3,390,243
Change in unrealized appreciation (depreciation) of commodities	–	(153,003)
Change in unrealized appreciation (depreciation) of currency forwards	192,607	(198,728)
Change in unrealized appreciation (depreciation) of swap contracts	(35,382)	(30,981)
Net gain (loss) on investments	1,887,243	4,015,994
Securities lending	208	66
Other income	616	153
Total income (loss)	1,888,067	4,016,213
EXPENSES		
Management fees (note 5)	339,693	266,776
Harmonized Sales Tax/Goods and Services Tax	42,061	35,919
Audit fees	353	335
Independent Review Committee fees	51	47
Custodian fees	1,133	1,251
Filing fees	7,502	6,873
Legal fees	108	119
Unitholder reporting costs	8,255	7,537
Unitholder administration and service fees	38,821	47,576
Foreign withholding taxes/tax reclaims	33,541	28,602
Transaction costs	10,917	19,973
Total expenses	482,435	415,008
Absorbed expenses	–	(38)
Net expenses	482,435	414,970
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$1,405,632	$3,601,243
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$1,405,632	$3,601,243
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.35	$ 0.92
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	3,963,482	3,913,748

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$32,695,527	$25,548,076
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	1,405,632	3,601,243
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	3,358,152	1,706,634
Payments on redemption		
Series A Units	(2,861,510)	(2,545,019)
	496,642	(838,385)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	1,902,274	2,762,858
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$34,597,801	$28,310,934

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 1,405,632	$ 3,601,243
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(1,923,177)	(1,052,395)
Net realized gain (loss) foreign exchange on cash	(28,182)	(68,693)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	386,256	(3,390,242)
Change in unrealized appreciation (depreciation) of commodities	–	153,003
Change in unrealized appreciation (depreciation) of forward currency contracts	(192,607)	198,728
Change in unrealized appreciation (depreciation) of swap contracts	35,382	30,981
Purchases of non-derivative financial assets	(9,245,518)	(9,172,681)
Proceeds from sale of non-derivative financial assets	8,780,793	9,835,577
Transaction costs	10,917	19,973
Accrued investment income	3,563	(7,589)
Accrued expenses	75,950	59,124
Net cash provided by (used in) operating activities	(690,991)	207,029
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,381,524	1,708,984
Amounts paid on redemption of redeemable units	(2,847,439)	(2,533,205)
Net cash provided by (used in) financing activities	534,085	(824,221)
Net gain (loss) foreign exchange on cash	28,182	68,693
Net increase (decrease) in cash	(156,906)	(617,192)
Cash at beginning of period	2,936,536	2,447,138
CASH AT END OF PERIOD	$ 2,807,812	$ 1,898,639
Interest received(1)	1,101	2,846
Dividends received, net of withholding taxes(1)	209,591	182,805

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.6%			
United States – 85.3%			
Energy – 7.7%			
3,400	Chevron Corporation	281,062	473,397
11,400	Devon Energy Corporation	680,796	965,669
8,300	Dresser-Rand Group, Inc.	521,362	564,319
5,200	Schlumberger Limited	404,242	654,341
		1,887,462	2,657,726
Materials – 9.7%			
	Aptargroup INRc	338,423	328,950
15,100	Ecolab Inc.	718,533	1,793,139
11,200	International Flavors & Fragrances Inc.	1,084,844	1,246,011
		2,141,800	3,368,100
Industrials – 13.9%			
15,600	Danaher Corporation	804,382	1,309,958
33,000	Hertz Global Holdings, Inc.	849,629	987,353
12,500	Pall Corporation	943,055	1,138,528
12,800	Union Pacific Corporation	656,281	1,362,152
		3,253,347	4,797,991
Consumer Discretionary – 9.5%			
8,800	Starbucks Corporation	702,249	726,464
12,900	Starwood Hotels & Resorts Worldwide, Inc.	635,244	1,112,273
15,700	Walt Disney Company, The	799,025	1,436,104
		2,136,518	3,274,841
Consumer Staples – 10.7%			
25,400	Coca-Cola Company, The	901,923	1,147,192
5,200	Costco Wholesale Corporation	507,068	638,863
15,700	Estee Lauder Companies Inc., The	968,067	1,243,820
21,035	Tootsie Roll Industries Inc.	599,948	660,668
		2,977,006	3,690,543
Health Care – 5.8%			
20,400	Fluidigm Corp	661,358	639,853
1,900	Illumina Inc.	317,104	361,903
8,100	Thermo Fisher Scientific, Inc.	993,600	1,019,694
		1,972,062	2,021,450
Financials – 9.6%			
22,500	American International Group, Inc.	1,051,484	1,310,144
26,700	Citigroup Inc.	1,034,346	1,341,637
11,700	Wells Fargo & Company	380,068	655,874
		2,465,898	3,307,655
Information Technology – 18.4%			
6,200	Adobe Systems Incorporated	284,581	478,622
8,600	Amphenol Corporation	628,344	883,910
900	Google Inc. Class A	518,005	561,379
1,500	Google Inc. Class C	346,719	920,605
51,500	Microsoft Corporation	1,373,153	2,291,110
5,400	Visa Inc.	386,258	1,213,897
		3,537,060	6,349,523
	TOTAL UNITED STATES EQUITIES	20,371,153	29,467,829
Denmark – 2.4%			
17,500	Novo Nordisk A/S	704,002	862,361
Switzerland – 2.0%			
7,000	Novartis AG ADR	672,174	675,886
United Kingdom – 1.9%			
483,400	Lloyds Banking Group PLC	735,204	655,790
	TOTAL INVESTMENT PORTFOLIO	22,482,533	31,661,866
	Currency Forward Contracts – 0.3%		116,699
	Swap Contracts – 0.2%		82,651
	OTHER ASSETS, LESS LIABILITIES – 7.9%		2,736,585
	NET ASSETS – 100.0%		34,597,801

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	1,439,091	U.S. Dollar	1,321,000	1,410,044	29,047
Jul. 17, 2014	U.S. Dollar	586,000	Canadian Dollar	638,544	638,214	(13,041)
Aug. 14, 2014	Canadian Dollar	5,441,660	U.S. Dollar	5,000,000	5,340,967	100,693
						116,699

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount ($)	Variable Rate %	Appreciation/ (Depreciation) ($)
Blackstone Group, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
1,800	Dec. 02, 2014	55,944	0.55%	4,508
12,100	Dec. 03, 2014	376,068	0.55%	30,305
13,100	Dec. 04, 2014	407,148	0.55%	32,811
4,400	Dec. 05, 2014	136,752	0.55%	11,020
1,600	Apr. 16, 2015	49,728	0.55%	4,007
				82,651

The swap contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of AA- by Standard & Poor's.

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$32,690,359	$25,544,702
Revaluation of Investments at FVTPL	5,168	3,374
Net assets attributable to holders of redeemable units	$32,695,527	$25,548,076

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$3,586,588
Revaluation of Investments at FVTPL	14,655
Increase (decrease) in net assets attributable to holders of redeemable units	$3,601,243

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in swap contracts, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net Assets attributable to holders of redeemable units would have decreased or increased, respectively, by $9,584 or approximately 0.0% of total net Assets attributable to holders of redeemable units (December 31, 2013 – $9,835 or approximately 0.0% of total net assets attributable to holders of redeemable units, January 1, 2013 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	26,452,455	76.5	2,645,246	7.7
British Pound	655,790	1.9	65,579	0.2
Total	27,108,245	78.4	2,710,825	7.9

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	22,648,541	69.3	2,264,854	6.9
Swiss Franc	237,358	0.7	23,736	0.1
Total	22,885,899	70.0	2,288,590	7.0

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	5,055,592	19.8	505,559	2.0
Swiss Franc	190,376	0.7	19,038	0.1
Total	5,245,968	20.5	524,597	2.1

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 91.7% (December 31, 2013 – 94.2%, January 1, 2013 – 90.8%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $3,166,197 (December 31, 2013 – $3,078,133, January 1, 2013 – $2,318,341). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$106,726	$ –	$16,705	$ –	$ 7,799
Unrealized loss on currency forward contracts	–	13,041	–	76,382	–	98,984
Redeemable units	34,597,801	–	32,695,527	–	25,548,076	–
	$34,597,801	$119,767	$32,695,527	$93,087	$25,548,076	$106,783

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	–	–	2.6
United States Equities			
Energy	7.7	8.0	5.2
Materials	9.7	5.1	4.2
Industrials	13.9	14.7	10.9
Consumer Discretionary	9.5	9.6	12.9
Consumer Staples	10.7	13.8	11.3
Health Care	5.8	4.4	10.7
Financials	9.6	12.7	8.6
Information Technology	18.4	18.7	16.3
Denmark	2.4	0.9	–
Switzerland	2.0	2.9	2.7
United Kingdom	1.9	–	–
Commodities	–	–	2.7
Currency Forward Contracts	0.3	(0.2)	(0.4)
Swap Contracts	0.2	0.4	–

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$31,006,076	$655,790	$ –	$31,661,866
Currency Forward Contracts–Assets	–	129,740	–	129,740
Swap Contracts–Assets	82,651	–		82,651
	31,088,727	785,530	–	31,874,257
Currency Forward Contracts–Liabilities	–	(13,041)	–	(13,041)
	$31,088,727	$772,489	$ –	$31,861,216

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$28,731,022	$940,115	$ –	$29,671,137
Currency Forward Contracts–Assets	–	473	–	473
	28,731,022	940,588	–	29,671,610
Currency Forward Contracts–Liabilities	–	(76,382)	–	(76,382)
	$28,731,022	$864,206	$ –	$29,595,228

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$21,804,560	$690,757	$ –	$22,495,317
Commodities	691,470	–	–	691,470
Currency Forward Contracts–Liabilities	–	(98,984)	–	(98,984)
	$22,496,030	$591,773	$ –	$23,087,803

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. Opportunities Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$23,495,433	$20,557,874	$21,004,373
Unrealized gain on currency forward contracts	–	–	9,158
Cash	–	638,945	1,074,352
Accrued investment income	18,824	15,074	13,028
Receivable for securities sold	1,706,215	–	560,902
Subscriptions receivable	5,672	15,137	9,179
	25,226,144	21,227,030	22,670,992
LIABILITIES			
Current liabilities			
Bank indebtedness	22,175	–	–
Payable for securities purchased	1,219,052	–	413,372
Redemptions payable	12,649	13,503	18,155
Accrued expenses	52,364	–	–
Unrealized loss on currency forward contracts	–	–	2,008
	1,306,240	13,503	433,535
Net Assets attributable to holders of redeemable units	$23,919,904	$21,213,527	$22,237,457
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$23,771,873	$21,110,512	$16,655,850
Series I Units	$ 148,031	$ 103,015	$ 5,581,607
UNITS OUTSTANDING			
Series A Units	2,336,436	2,156,888	2,241,234
Series I Units	12,230	8,947	657,007
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.17	$ 9.79	$ 7.43
Series I Units	$ 12.10	$ 11.51	$ 8.50

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 154,535	$ 122,080
Interest for distribution purposes	607	263
Net realized gain (loss) on non-derivative financial assets	3,175,614	2,029,486
Net realized gain (loss) on currency forwards	–	(312,002)
Net gain (loss) foreign exchange	8,795	89,549
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(2,120,042)	1,265,689
Change in unrealized appreciation (depreciation) of currency forwards	–	(427,873)
Net gain (loss) on investments	1,219,509	2,767,192
Securities lending	35	306
Other income	645	82
Total income (loss)	1,220,189	2,767,580
EXPENSES		
Management fees (note 5)	232,583	171,422
Harmonized Sales Tax/Goods and Services Tax	27,586	22,379
Audit fees	128	302
Independent Review Committee fees	35	40
Custodian fees	1,697	769
Filing fees	9,212	7,953
Legal fees	74	149
Unitholder reporting costs	4,823	5,013
Unitholder administration and service fees	18,523	22,470
Overdraft charges	–	1
Foreign withholding taxes/tax reclaims	25,410	16,249
Transaction costs	38,247	38,306
Total expenses	358,318	285,053
Absorbed expenses	(4,986)	–
Net expenses	353,332	285,053
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 866,857	$2,482,527
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 859,684	$1,832,535
Series I Units	$ 7,173	$ 649,992
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.37	$ 0.84
Series I Units	$ 0.56	$ 1.11
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	2,323,275	2,193,695
Series I Units	12,766	587,342

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. Opportunities Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$21,110,512	$16,655,850
Series I Units	103,015	5,581,607
	21,213,527	22,237,457
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	859,684	1,832,535
Series I Units	7,173	649,992
	866,857	2,482,527
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	4,340,797	1,450,492
Series I Units	73,468	40,959
Payments on redemption		
Series A Units	(2,539,120)	(2,084,005)
Series I Units	(35,625)	(1,172,006)
	1,839,520	(1,764,560)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	2,661,361	1,199,022
Series I Units	45,016	(481,055)
	2,706,377	717,967
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	23,771,873	17,854,872
Series I Units	148,031	5,100,552
	$23,919,904	$22,955,424

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	866,857	2,482,527
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(3,175,614)	(2,029,486)
Net realized gain (loss) foreign exchange on cash	(8,795)	(89,549)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	2,120,042	(1,265,689)
Change in unrealized appreciation (depreciation) of forward currency contracts	–	427,873
Purchases of non-derivative financial assets	(33,524,189)	(30,569,776)
Proceeds from sale of non-derivative financial assets	31,116,792	33,313,873
Transaction costs	38,247	38,306
Accrued investment income	(3,750)	2,078
Accrued expenses	52,364	36,921
Net cash provided by (used in) operating activities	(2,518,046)	2,347,078
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,423,730	1,498,257
Amounts paid on redemption of redeemable units	(2,575,599)	(3,211,304)
Net cash provided by (used in) financing activities	1,848,131	(1,713,047)
Net gain (loss) foreign exchange on cash	8,795	89,549
Net increase (decrease) in cash	(669,915)	634,031
Cash at beginning of period	638,945	1,074,352
CASH (BANK INDEBTEDNESS) AT END OF PERIOD	$ (22,175)	$ 1,797,932
Interest received(1)	621	277
Dividends received, net of withholding taxes(1)	125,362	107,895

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.2%			
Energy – 17.2%			
3,300	Cimarex Energy Co.	484,009	504,977
8,500	Devon Energy Corporation	718,977	720,016
3,900	EOG Resources, Inc.	456,656	486,075
6,600	Exxon Mobil Corporation	711,826	708,521
3,900	Helemerich & Payne, Inc.	467,564	482,975
5,600	Phillips 66 Company	485,130	480,428
5,900	Schlumberger Limited	662,636	742,425
		3,986,798	4,125,417
Materials – 6.1%			
4,800	LyondellBasell Industries NV, Class A	411,626	499,977
3,500	Martin Marietta Materials Inc.	491,121	493,015
2,100	PPG Industries, Inc.	437,942	470,816
		1,340,689	1,463,808
Industrials – 15.5%			
10,300	American Airlines Group Inc.	385,278	472,068
11,000	Delta Air Lines, Inc.	365,829	454,392
3,700	General Dynamics Corporation	472,872	460,063
10,100	ITT Corporation	457,003	518,771
3,500	Rockwell Automation, Inc.	424,014	467,250
4,500	Union Pacific Corporation	481,348	478,882
7,700	United Rental, Inc.	565,005	860,699
		3,151,349	3,712,125
Consumer Discretionary – 8.0%			
10,600	BorgWarner, Inc.	719,324	737,206
8,400	Comcast Corporation, Class A	479,985	481,055
7,700	Walt Disney Company, The	527,861	704,331
		1,727,170	1,922,592
Consumer Staples – 3.0%			
8,800	CVS Caremark Corporation	672,780	707,359
Health Care – 13.8%			
2,000	Actavis Inc.	426,854	473,606
7,600	Agilent Technologies, Inc.	476,717	465,605
1,300	Biogen Idec Inc.	448,538	437,305
5,400	Celgene Corporation	472,785	494,753
4,300	Johnson & Johnson	475,292	479,778
2,400	McKesson Corporation	464,772	476,779
7,500	Merck & Co., Inc.	477,258	462,879
		3,242,216	3,290,705
Financials – 10.2%			
4,800	American Express Company	396,404	485,741
3,400	Berkshire Hathaway Inc., Class B	467,373	459,069
14,500	Blackstone Group LP	466,880	517,294
14,100	Morgan Stanley	400,849	486,326
8,600	Wells Fargo & Company	472,456	482,095
		2,203,962	2,430,525
Information Technology – 24.4%			
9,900	Apple Inc.	852,775	981,508
21,800	Applied Materials, Inc.	507,177	524,452
17,900	Cisco Systems, Inc.	478,066	474,550
700	Google Inc. Class A	435,455	436,628
13,400	Hewlett-Packard Company	492,225	481,482
11,000	Microsoft Corporation	452,973	489,364
11,500	Oracle Corporation	522,970	497,253
5,600	QUALCOMM, Inc.	466,247	473,169
4,700	SanDisk Corporation	475,731	523,632
7,400	Tyco Electronics Ltd.	428,150	488,207
4,800	Western Digital Corporation	477,039	472,657
		5,588,808	5,842,902
	TOTAL INVESTMENT PORTFOLIO	21,913,772	23,495,433
	OTHER ASSETS, LESS LIABILITIES – 1.8%		424,471
	NET ASSETS – 100.0%		23,919,904

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$21,210,366	$22,233,723
Revaluation of Investments at FVTPL	3,161	3,734
Net assets attributable to holders of redeemable units	$21,213,527	$22,237,457

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$2,482,698
Revaluation of Investments at FVTPL	(171)
Increase (decrease) in net assets attributable to holders of redeemable units	$2,482,527

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	23,496,739	98.2	2,349,674	9.8
Total	23,496,739	98.2	2,349,674	9.8

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	20,557,874	96.9	2,055,787	9.7
Total	20,557,874	96.9	2,055,787	9.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	5,076,551	22.8	507,655	2.3
Total	5,076,551	22.8	507,655	2.3

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.2% (December 31, 2013 – 96.9%, January 1, 2013 – 94.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $2,349,543 (December 31, 2013 – $2,055,471, January 1, 2013 – $2,100,064). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,306,240	$ –	$13,503	$ –	$431,527
Unrealized loss on currency forward contracts	–	–	–	–	–	2,008
Redeemable units	23,919,904	–	21,213,527	–	22,237,457	–
	$23,919,904	$1,306,240	$21,213,527	$13,503	$22,237,457	$433,535

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	June 30, 2014	December 31, 2013	January 1, 2013
Energy	17.2	6.2	9.2
Material	6.1	5	–
Industrials	15.5	19.1	12.2
Consumer Discretionary	8	8.3	15.5
Consumer Staples	3	3.8	11.4
Health Care	13.8	13.5	6.4
Financials	10.2	21.3	18.6
Information	24.4	19.7	21.2

Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$23,495,433	$ –	$ –	$23,495,433

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$20,557,874	$ –	$ –	$20,557,874

Scotia U.S. Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$21,002,081	$ –	$ –	$21,002,081
Options (Written Put)	(698)	–	–	(698)
Currency Forward Contracts–Assets	–	9,158	–	9,158
	21,001,383	9,158	–	21,010,541
Options (Put)	2,990	–	–	2,990
Currency Forward Contracts–Liabilities	–	(2,008)	–	(2,008)
	2,990	(2,008)	–	982
	$21,004,373	$ 7,150	$ –	$21,011,523

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private International Core Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$52,044,163	$49,915,470	$30,358,061
Unrealized gain on currency spot contracts	1,457	72	26
Cash	3,342,013	1,898,337	1,029,199
Accrued investment income	58,440	14,815	22,353
Receivable for securities sold	214,959	95,194	119,847
Subscriptions receivable	149,453	302,469	1,081
	55,810,485	52,226,357	31,530,567
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,225,266	73,002	104,630
Redemptions payable	1,620	4,407	371,182
Accrued expenses	23,193	–	–
Unrealized loss on currency spot contracts	699	723	788
	1,250,778	78,132	476,600
Net Assets attributable to holders of redeemable units	$54,559,707	$52,148,225	$31,053,967
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series M Units	$54,559,707	$52,148,225	$31,053,967
UNITS OUTSTANDING			
Series M Units	5,663,592	5,379,668	3,968,673
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series M Units	$ 9.63	$ 9.69	$ 7.82

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,283,696	$ 509,278
Interest for distribution purposes	14,604	18,274
Net realized gain (loss) on non-derivative financial assets	3,048,688	819,721
Net gain (loss) foreign exchange	(26,066)	(6,558)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(4,447,731)	1,060,673
Change in unrealized appreciation (depreciation) of currency spots	1,409	690
Net gain (loss) on investments	(125,400)	2,402,078
Securities lending	4,336	6,507
Total income (loss)	(121,064)	2,408,585
EXPENSES		
Management fees (note 5)	82,426	48,511
Harmonized Sales Tax/Goods and Services Tax	12,100	8,668
Audit fees	548	406
Independent Review Committee fees	82	57
Custodian fees	21,071	16,290
Filing fees	4,723	7,127
Legal fees	174	924
Unitholder reporting costs	2,168	2,421
Unitholder administration and service fees	3,630	1,707
Overdraft charges	340	485
Foreign withholding taxes/tax reclaims	126,020	71,019
Transaction costs	35,104	14,402
Total expenses	288,386	172,017
Net expenses	288,386	172,017
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ (409,450)	$2,236,568
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M Units	$ (409,450)	$2,236,568
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series M Units	$ (0.07)	$ 0.56
WEIGHTED AVERAGE NUMBER OF UNITS		
Series M Units	5,728,667	3,990,571

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Private International Core Equity Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series M Units	$ 52,148,225	$31,053,967
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M Units	(409,450)	2,236,568
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M Units	16,467,217	7,685,548
Payments on redemption		
Series M Units	(13,646,285)	(2,992,094)
	2,820,932	4,693,454
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M Units	2,411,482	6,930,022
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series M Units	$ 54,559,707	$37,983,989

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ (409,450)	$ 2,236,568
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(3,048,688)	(819,721)
Net realized gain (loss) foreign exchange on cash	26,066	6,558
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	4,447,731	(1,060,674)
Change in unrealized appreciation (depreciation) of currency spot contracts	(1,409)	(690)
Purchases of non-derivative financial assets	(24,350,433)	(8,720,486)
Proceeds from sale of non-derivative financial assets	21,820,092	7,675,384
Transaction costs	35,104	14,402
Accrued investment income	(43,625)	(44,471)
Accrued expenses	23,193	14,289
Net cash provided by (used in) operating activities	(1,501,419)	(698,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	16,620,233	5,686,063
Amounts paid on redemption of redeemable units	(13,649,072)	(3,340,995)
Net cash provided by (used in) financing activities	2,971,161	2,345,068
Net gain (loss) foreign exchange on cash	(26,066)	(6,558)
Net increase (decrease) in cash	1,469,742	1,646,227
Cash at beginning of period	1,898,337	1,029,199
CASH AT END OF PERIOD	$ 3,342,013	$ 2,668,868
Interest received(1)	14,662	17,220
Dividends received, net of withholding taxes(1)	1,113,993	394,842

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 95.4%			
Belgium – 1.9%			
8,650	Anheuser-Busch InBev NV	956,274	1,060,672
Brazil – 0.5%			
6,764	Embraer SA	231,080	262,777
Denmark – 2.5%			
27,971	Novo Nordisk A/S, Class B	756,381	1,377,443
Finland – 1.0%			
12,523	Kone Oyj	563,190	557,820
France – 10.3%			
11,681	Accor SA	645,911	647,572
4,063	Air Liquide SA	494,868	585,195
5,519	Compagnie Generale des Etablissements Michelin, Class B	514,943	704,365
6,435	LVMH Moet Hennessy Louis Vuitton SA	1,051,581	1,322,402
12,085	Publicis Groupe	773,899	1,094,445
16,593	Total SA	1,222,813	1,278,954
		4,704,015	5,632,933
Germany – 4.7%			
7,864	Adidas-Salomon AG	700,743	849,777
11,723	Deutsche Bank AG	524,290	439,999
11,942	Fresenius Medical Care AG & Co. KGaA	795,360	857,308
4,953	SAP AG	320,718	408,121
		2,341,111	2,555,205
Hong Kong – 8.6%			
207,271	AIA Group Ltd.	891,937	1,112,758
97,623	China Mobile Limited	1,071,672	1,011,100
35,753	Hong Kong Exchanges & Clearing Limited	628,787	712,007
34,689	HSBC Holdings PLC Ord	342,945	375,522
105,827	Sands China Ltd.	881,043	852,846
37,370	Tencent Holdings Limited	585,943	609,649
		4,402,327	4,673,882
Italy – 1.3%			
207,576	Intesa Sanpaolo SpA	541,915	682,670
Japan – 13.2%			
4,258	FANUC Corp.	646,444	785,008
18,845	Japan Tobacco Inc.	682,568	734,249
71,691	Kubota Corporation	1,046,938	1,086,634
25,924	Mitsubishi Estate Company Ltd.	745,495	684,263
117,349	Mitsubishi UFJ Financial Group, Inc.	676,846	769,062
176,899	Mitsui Trust Holdings Inc.	898,031	864,263
8,056	SOFTBANK Corp.	443,085	639,455
25,473	Toyota Motor Corporation	1,349,286	1,634,742
		6,488,693	7,197,676
Netherlands – 4.2%			
8,196	ASML Holding NV	671,389	813,715
74,042	ING Groep NV	961,217	1,108,308
10,460	Koninklijke Philips Electronics NV	365,514	353,742
		1,998,120	2,275,765
Spain – 2.9%			
15,088	Amadeus IT Holding SA	557,210	663,148
66,110	Banco Bilbao Vizcaya Argentaria, SA	824,327	897,871
		1,381,537	1,561,019
Sweden – 2.2%			
16,927	Hennes & Mauritz AB, Class B	657,876	788,070
14,865	Svenska Cellulosa AB SCA, Class B	455,104	412,793
		1,112,980	1,200,863
Switzerland – 11.7%			
4,689	Holcim Ltd.	457,483	439,720
13,348	Julius Baer Group Ltd.	565,451	587,146
18,338	Nestle SA	1,354,227	1,515,781

For equities, all common shares unless otherwise noted.

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

Scotia Private International Core Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES (cont'd)			
Switzerland (cont'd)			
15,832	Novartis AG	1,127,970	1,529,878
4,122	Roche Holdings AG	1,056,919	1,312,162
50,837	UBS AG	1,137,017	993,758
		5,699,067	6,378,445
Taiwan – 1.7%			
40,909	Taiwan Semiconductor Manufacturing Company Ltd. ADR	825,995	933,539
United Kingdom – 18.7%			
78,117	Aviva PLC	738,108	730,282
88,624	BT Group PLC	622,055	621,983
22,045	Burberry Group PLC	491,601	596,254
18,165	Carnival PLC	683,306	731,162
44,667	Compass Group PLC	648,558	831,814
53,409	Experian PLC	1,032,912	962,296
169,893	Kingfisher PLC	754,304	1,112,289
17,161	Liberty Global PLC	784,565	774,894
26,873	Pearson PLC	484,910	565,741
14,331	Reckitt Benkiser Group PLC	976,707	1,333,232
198	Rolls-Royce Group PLC	2,763	3,858
3,862,818	Rolls-Royce Group PLC, Class C*	7,121	7,052
13,662	SABMiller PLC	569,492	844,399
28,874	Standard Chartered PLC	708,917	629,467
19,028	WPP Group PLC	340,275	442,002
		8,845,594	10,186,725
FOREIGN EQUITIES (cont'd)			
United States – 10.1%			
10,516	Accenture PLC, Class A	764,248	906,662
4,627	Actavis Inc.	1,080,333	1,095,688
3,750	Baidu, Inc.	531,272	747,368
8,989	Ensco PLC	512,601	532,911
10,524	MasterCard, Inc., Class A	876,468	824,886
6,481	Schlumberger Limited	487,656	815,535
6,739	Yum! Brands, Inc.	471,566	583,679
		4,724,144	5,506,729
	TOTAL INVESTMENT PORTFOLIO	45,572,423	52,044,163
	Currency Spot Contracts – 0.0%		758
	OTHER ASSETS, LESS LIABILITIES – 4.6%		2,514,786
	NET ASSETS – 100.0%		54,559,707

* This security is not actively traded and considered illiquid.

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	British Pound	29,976	Canadian Dollar	54,454	54,454	274
Jul. 2, 2014	Canadian Dollar	54,519	European Euro	37,312	54,505	14
Jul. 2, 2014	Canadian Dollar	53,713	European Euro	36,912	53,921	(208)
Jul. 2, 2014	Canadian Dollar	53,370	U.S. Dollar	49,932	53,270	100
Jul. 2, 2014	Canadian Dollar	53,365	Hong Kong Dollar	386,945	53,263	102
Jul. 2, 2014	Swiss Franc	45,311	Canadian Dollar	54,232	54,232	275
Jul. 2, 2014	European Euro	30,291	Canadian Dollar	44,215	44,215	34
Jul. 2, 2014	U.S. Dollar	63,627	Canadian Dollar	67,907	67,907	(27)
Jul. 3, 2014	British Pound	102,487	Canadian Dollar	186,759	186,759	349
Jul. 3, 2014	Swiss Franc	59,336	Canadian Dollar	71,276	71,276	103
Jul. 3, 2014	Swiss Franc	45,434	Canadian Dollar	54,681	54,681	(25)
Jul. 3, 2014	Danish Krone	55,039	Canadian Dollar	10,776	10,777	7
Jul. 3, 2014	European Euro	120,272	Canadian Dollar	175,563	175,564	129
Jul. 3, 2014	European Euro	37,771	Canadian Dollar	55,192	55,192	(16)
Jul. 3, 2014	Hong Kong Dollar	1,110,912	Canadian Dollar	153,161	153,162	(244)
Jul. 3, 2014	Japanese Yen	16,934,469	Canadian Dollar	178,499	178,518	(179)
Jul. 3, 2014	Swedish Krona	211,089	Canadian Dollar	33,617	33,617	70
						758

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Private International Core Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America. The Fund generally won't invest more than 20% of its assets in emerging markets.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$52,146,692	$31,044,919
Revaluation of Investments at FVTPL	1,533	9,048
Net assets attributable to holders of redeemable units	$52,148,225	$31,053,967

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$2,236,930
Revaluation of Investments at FVTPL	(362)
Increase (decrease) in net assets attributable to holders of redeemable units	$2,236,568

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	14,546,559	26.7	1,454,656	2.7
British Pound	9,660,872	17.7	966,087	1.8
US Dollar	7,521,640	13.8	752,164	1.4
Japanese Yen	7,423,678	13.6	742,368	1.4
Swiss Franc	6,558,634	12.0	655,863	1.2
Hong Kong Dollar	4,773,780	8.7	477,378	0.9
Danish Krone	1,388,220	2.5	138,822	0.3
Swedish Krona	1,234,481	2.3	123,448	0.2
Total	53,107,864	97.3	5,310,786	9.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	12,837,345	24.6	1,283,735	2.5
Japanese Yen	9,381,424	18.0	938,142	1.8
British Pound	9,093,458	17.4	909,346	1.7
US Dollar	5,963,337	11.4	596,334	1.1
Swiss Franc	4,654,844	8.9	465,484	0.9
Hong Kong Dollar	3,931,437	7.5	393,144	0.8
Swedish Krona	1,933,016	3.7	193,302	0.4
Danish Krone	1,323,570	2.5	132,357	0.3
South Korean Won	431,686	0.8	43,169	0.1
Brazilian Real	194,969	0.4	19,497	0.0
Mexican Peso	187,773	0.4	18,777	0.0
Total	49,932,859	95.6	4,993,286	9.6

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	7,514,321	24.2	751,432	2.4
British Pound	6,455,145	20.8	645,515	2.1
US Dollar	4,768,925	15.4	476,893	1.5
Hong Kong Dollar	3,241,835	10.4	324,184	1.0
Japanese Yen	2,898,190	9.3	289,819	0.9
Swiss Franc	2,469,972	8.0	246,997	0.8
Swedish Krona	1,195,739	3.9	119,574	0.4
Danish Krone	840,088	2.7	84,009	0.3
South Korean Won	343,275	1.1	34,328	0.1
Brazilian Real	331,981	1.1	33,198	0.1
Mexican Peso	283,662	0.9	28,366	0.1
Total	30,343,133	97.8	3,034,313	9.8

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 95.4% (December 31, 2013 – 95.7%, January 1, 2013 – 97.8%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $5,204,416 (December 31, 2013 – $4,991,394, January 1, 2013 – $3,034,901). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,250,079	$ –	$77,409	$ –	$475,812
Unrealized loss on currency spot contracts	–	699	–	723	–	788
Redeemable units	54,559,707	–	52,148,225	–	31,053,967	–
	$54,559,707	$1,250,778	$52,148,225	$78,132	$31,053,967	$476,600

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Private International Core Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Argentina	–	0.5	0.3
Belgium	1.9	1.4	–
Brazil	0.5	0.9	2.8
China	–	0.8	1.3
Denmark	2.5	2.6	2.7
Finland	1.0	1.0	–
France	10.3	8.4	9.6
Germany	4.7	7.2	13.9
Hong Kong	8.6	6.7	9.1
Italy	1.3	–	1.6
Israel	–	1.9	–
Japan	13.2	17.9	9.3
Mexico	–	0.4	0.9
Netherlands	4.2	3.8	1.2
South Korea	–	0.8	1.1
Spain	2.9	2.1	–
Sweden	2.2	3.8	4.1
Switzerland	11.7	8.9	8.0
Taiwan	1.7	0.7	–
United Kingdom	18.7	17.5	21.4
United States	10.1	8.4	10.5
Currency Spot Contracts	0.0	0.0	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$7,477,939	$44,566,224	$ –	$52,044,163
Currency Spot Contracts–Assets	1,457	–	–	1,457
	7,479,396	44,566,224	–	52,045,620
Currency Spot Contracts–Liabilities	(699)	–	–	(699)
	$7,478,697	$44,566,224	$ –	$52,044,921

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$6,352,950	$43,562,520	$ –	$49,915,470
Currency Spot Contracts–Assets	72	–	–	72
	6,353,022	43,562,520	–	49,915,542
Currency Spot Contracts–Liabilities	(723)	–		(723)
	$6,352,299	$43,562,520	$ –	$49,914,819

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$5,340,274	$25,017,787	$ –	$30,358,061
Currency Spot Contracts–Assets	26	–	–	26
	5,340,300	25,017,787	–	30,358,087
Currency Spot Contracts–Liabilities	(788)	–	–	(788)
	$5,339,512	$25,017,787	$ –	$30,357,299

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia International Value Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$ 98,970,384	$ 99,942,415	$85,480,521
Unrealized gain on currency forward contracts	265,556	702,089	181,336
Cash	4,998,883	1,779,767	1,605,356
Accrued investment income	136,937	55,560	46,698
Receivable for securities sold	215,272	814,390	–
Subscriptions receivable	157,629	15,645	3,346
	104,744,661	103,309,866	87,317,257
LIABILITIES			
Current liabilities			
Payable for securities purchased	415,391	–	–
Distributions payable	–	–	71
Redemptions payable	6,076	6,353	11,496
Accrued expenses	31,432	–	–
Unrealized loss on currency forward contracts	45,916	897,325	136,079
	498,815	903,678	147,646
Net Assets attributable to holders of redeemable units	$104,245,846	$102,406,188	$87,169,611
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 11,375,753	$ 12,089,594	$ 9,527,361
Advisor Series Units	$ 31,464	$ 32,108	$ 11,589
Series I Units	$ 92,838,629	$ 90,284,486	$77,630,661
UNITS OUTSTANDING			
Series A Units	1,471,272	1,532,853	1,555,698
Advisor Series Units	4,195	4,195	1,951
Series I Units	11,577,157	11,187,295	12,474,747
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 7.73	$ 7.89	$ 6.12
Advisor Series Units	$ 7.50	$ 7.65	$ 5.94
Series I Units	$ 8.02	$ 8.07	$ 6.22

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,440,898	$ 1,380,527
Interest for distribution purposes	6,640	1,151
Net realized gain (loss) on non-derivative financial assets	5,535,947	(541,671)
Net realized gain (loss) on currency forwards	(825,475)	771,369
Net gain (loss) foreign exchange	(38,385)	31,211
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(6,854,313)	5,795,664
Change in unrealized appreciation (depreciation) of currency forwards	414,876	(806,045)
Net gain (loss) on investments	(319,812)	6,632,206
Securities lending	3,129	13,700
Other income	161	6
Total income (loss)	(316,522)	6,645,912
EXPENSES		
Management fees (note 5)	128,115	108,895
Harmonized Sales Tax/Goods and Services Tax	17,478	17,457
Audit fees	1,010	1,095
Independent Review Committee fees	154	155
Custodian fees	15,024	26,420
Filing fees	16,531	13,444
Legal fees	328	385
Unitholder reporting costs	6,261	7,215
Unitholder administration and service fees	20,616	21,948
Overdraft charges	2,498	1,898
Foreign withholding taxes/tax reclaims	88,662	121,577
Transaction costs	85,331	58,631
Total expenses	382,008	379,120
Absorbed expenses	(8,052)	(16,127)
Net expenses	373,956	362,993
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ (690,478)	$ 6,282,919
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ (232,985)	$ 584,845
Advisor Series Units	$ (644)	$ 690
Series I Units	$ (456,849)	$ 5,697,384
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ (0.15)	$ 0.37
Advisor Series Units	$ (0.15)	$ 0.35
Series I Units	$ (0.04)	$ 0.47
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,510,325	1,591,426
Advisor Series Units	4,195	1,951
Series I Units	11,310,355	12,044,237

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia International Value Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 12,089,594	$ 9,527,361
Advisor Series Units	32,108	11,589
Series I Units	90,284,486	77,630,661
	102,406,188	87,169,611
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	(232,985)	584,845
Advisor Series Units	(644)	690
Series I Units	(456,849)	5,697,384
	(690,478)	6,282,919
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,021,978	1,212,959
Series I Units	15,613,297	269,000
Payments on redemption		
Series A Units	(1,502,834)	(1,144,996)
Series I Units	(12,602,305)	(4,274,413)
	2,530,136	(3,937,450)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(713,841)	652,808
Advisor Series Units	(644)	690
Series I Units	2,554,143	1,691,971
	1,839,658	2,345,469
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	11,375,753	10,180,169
Advisor Series Units	31,464	12,279
Series I Units	92,838,629	79,322,632
	$104,245,846	$89,515,080

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ (690,478)	$ 6,282,919
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(5,535,947)	541,671
Net realized gain (loss) foreign exchange on cash	38,385	(31,211)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	6,854,313	(5,795,664)
Change in unrealized appreciation (depreciation) of forward currency contracts	(414,876)	806,045
Purchases of non-derivative financial assets	(26,434,780)	(12,040,462)
Proceeds from sale of non-derivative financial assets	27,017,623	17,953,887
Transaction costs	85,331	58,631
Accrued investment income	(81,377)	(169,392)
Accrued expenses	31,432	28,241
Net cash provided by (used in) operating activities	869,626	7,634,665
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	16,493,291	1,417,085
Amounts paid on redemption of redeemable units	(14,105,416)	(5,423,463)
Distributions to unitholders of redeemable units	–	(71)
Net cash provided by (used in) financing activities	2,387,875	(4,006,449)
Net gain (loss) foreign exchange on cash	(38,385)	31,211
Net increase (decrease) in cash	3,257,501	3,628,216
Cash at beginning of period	1,779,767	1,605,356
CASH AT END OF PERIOD	$ 4,998,883	$ 5,264,783
Interest received(1)	3,982	1,198
Dividends received, net of withholding taxes(1)	1,273,517	1,089,511

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 95.0%			
Brazil – 1.4%			
62,500	Smiles SA	712,158	1,417,595
China – 3.5%			
323,500	AAC Acoustic Technologies Holdings Inc.	736,979	2,247,368
2,363,100	China Liansu Group Holdings Ltd.	1,653,555	1,350,261
		2,390,534	3,597,629
France – 4.1%			
17,392	Airbus Group NV	321,005	1,245,312
3,800	BNP Paribas	141,729	275,055
37,100	Orpea	1,385,502	2,774,320
		1,848,236	4,294,687
Germany – 10.0%			
23,100	ElringKlinger AG	640,189	1,016,982
28,800	Gerresheimer AG	1,284,445	2,118,133
19,467	Henkel AG & Co. KGaA	1,022,153	2,089,851
42,300	KION Group AG	2,104,908	1,955,558
47,100	NORMA Group	1,196,679	2,777,835
39,000	TAG Immobilien AG	486,103	507,700
		6,734,477	10,466,059
Greece – 4.6%			
2,726,900	Alpha Bank A.E.	2,587,774	2,710,946
41,400	Hellenic Exchanges SA HoldINRg	493,559	502,198
88,190	JUMBO SA	1,478,149	1,541,529
		4,559,482	4,754,673
Hong Kong – 9.9%			
4,119,600	China Modern Dairy Holdings Ltd.	1,636,225	1,730,023
612,000	MGM China Holdings Ltd.	873,375	2,266,662
2,570,000	Trinity Ltd.	1,015,787	583,781
2,765,000	Value Partners Group Limited	2,146,636	1,976,683
2,154,000	Xinyi Glass Holdings Ltd.	1,709,193	1,348,130
2,154,000	Xinyi Solar Holdings Ltd.	337,090	589,976
10,843,000	YuanShengTai Dairy Farm Ltd.	2,695,451	1,836,147
		10,413,757	10,331,402
Ireland – 4.2%			
271,800	C&C Group PLC	1,602,320	1,804,670
7,281,700	Governor and Company of the Bank of Ireland, The	2,287,581	2,622,161
		3,889,901	4,426,831
Italy – 0.3%			
169,500	Moleskine SpA	445,921	311,727
Japan – 9.7%			
129,000	H2O Retailing Corp.	1,217,110	1,067,367
36,000	Horiba Ltd.	1,463,834	1,381,341
34,200	KDDI Corporation	1,243,098	2,230,340
31,200	NIDEC Corporation	1,393,392	2,046,568
23,100	Sumitomo Mitsui Financial Group, Inc.	1,288,534	1,034,816
38,800	Tamron Co., Ltd.	1,043,291	993,062
47,300	Zenkoku Hosho Co. Ltd.	1,279,097	1,375,534
		8,928,356	10,129,028
Netherlands – 1.3%			
22,684	Koninklijke Boskalis Westminster NV	1,029,871	1,386,473
New Zealand – 0.5%			
94,200	Fonterra Shareholders' Fund	558,020	510,442
Portugal – 1.3%			
1,538,200	Banco Espirito Santo	2,627,878	1,351,385
South Korea – 2.2%			
85,600	Daewoo Shipbuilding & Marine Engineering Co. Ltd.	2,701,557	2,320,551

For equities, all common shares unless otherwise noted.

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

Scotia International Value Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES (cont'd)			
Spain – 3.7%			
338,040	Banco Popular Espanol SA	2,963,804	2,422,269
222,200	NH Hoteles S.A.	1,568,451	1,406,950
		4,532,255	3,829,219
Switzerland – 4.4%			
45,500	Ascom Holding AG	1,001,233	823,447
5,700	Dufry AG	726,421	1,105,685
9,386	Komax Holding AG	1,547,697	1,671,391
1,480	Swatch Group AG, Class B	580,431	953,607
		3,855,782	4,554,130
Taiwan – 7.5%			
1,043,900	Chailease Holding	1,628,830	2,800,604
1,317,000	CTCI Corp	2,255,944	2,432,382
145,586	MediaTek Inc.	1,842,615	2,629,110
		5,727,389	7,862,096
Thailand – 5.2%			
4,460,600	Amata Corporation Public Co.Ltd.	2,421,574	2,479,932
3,034,300	Pruksa Real Estate PCL	2,389,058	2,919,585
		4,810,632	5,399,517
FOREIGN EQUITIES (cont'd)			
Turkey – 3.2%			
133,300	Pegasus Hava Tasimaciligi AS	2,067,595	1,875,959
320,400	Turkiye Garanti Bankasi AS	1,369,894	1,337,414
		3,437,489	3,213,373
United Kingdom – 18.0%			
123,500	Berendsen PLC	1,511,433	2,209,827
1,009	Berkeley Group Holdings	41,584	44,732
42,400	DCC PLC	1,423,395	2,771,584
294,905	Inchcape PLC	1,539,216	3,410,372
1,134,000	Lloyds Banking Group PLC	795,989	1,538,407
137,800	Smith & Nephew PLC	1,289,013	2,614,013
45,500	Spectris PLC	930,868	1,842,557
73,250	Travis Perkins PLC	1,029,468	2,187,626
27,300	Whitbread PLC	716,591	2,194,449
		9,277,557	18,813,567
	TOTAL INVESTMENT PORTFOLIO	78,481,252	98,970,384
	Currency Forward Contracts – 0.2%		219,640
	OTHER ASSETS, LESS LIABILITIES – 4.8%		5,055,822
	NET ASSETS – 100.0%		104,245,846

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	British Pound	2,097,000	Canadian Dollar	3,834,511	3,833,700	(5,241)
Jul. 17, 2014	Canadian Dollar	6,217,254	British Pound	3,400,000	6,208,571	8,682
Jul. 17, 2014	Canadian Dollar	4,702,478	European Euro	3,150,000	4,603,850	98,627
Jul. 17, 2014	Canadian Dollar	4,938,971	Japanese Yen	460,000,000	4,846,692	92,280
Jul. 17, 2014	Canadian Dollar	2,041,890	Japanese Yen	190,200,000	2,004,002	37,888
Jul. 17, 2014	European Euro	1,271,000	Canadian Dollar	1,898,366	1,897,343	(40,675)
Aug. 14, 2014	Canadian Dollar	1,523,550	U.S. Dollar	1,400,000	1,495,471	28,079
						219,640

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia International Value Fund (Unaudited – Continued)

FUND SPECFIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$102,395,120	$87,180,427
Revaluation of Investments at FVTPL	11,068	(10,816)
Net assets attributable to holders of redeemable units	$102,406,188	$87,169,611

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$6,185,717
Revaluation of Investments at FVTPL	97,202
Increase (decrease) in net assets attributable to holders of redeemable units	$6,282,919

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	28,739,725	27.6	2,873,973	2.8
British Pound	16,917,342	16.2	1,691,734	1.6
Hong Kong Dollar	14,035,496	13.5	1,403,550	1.4
Taiwan Dollar	7,917,092	7.6	791,709	0.8
Thai Baht	5,399,520	5.2	539,952	0.5
Swiss Franc	4,683,913	4.5	468,391	0.5
Japanese Yen	3,450,170	3.3	345,017	0.3
Turkish Lira	3,227,247	3.1	322,725	0.3
South Korean Won	2,320,551	2.2	232,055	0.2
Brazilian Real	1,417,595	1.4	141,760	0.1
New Zealand Dollar	513,609	0.5	51,361	0.1
US Dollar	(1,492,409)	(1.4)	(149,241)	(0.1)
Total	87,129,851	83.7	8,712,986	8.5

FUND SPECFIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	26,064,471	25.5	2,606,447	2.6
Hong Kong Dollar	18,180,605	17.8	1,818,061	1.8
British Pound	17,806,738	17.4	1,780,674	1.7
Taiwan Dollar	6,128,843	6.0	612,884	0.6
Swiss Franc	4,667,380	4.6	466,738	0.5
Japanese Yen	4,263,929	4.2	426,393	0.4
Turkish Lira	3,100,370	3.0	310,037	0.3
Thai Baht	2,965,237	2.9	296,524	0.3
Swedish Krona	1,208,754	1.2	120,875	0.1
Brazilian Real	1,011,583	1.0	101,158	0.1
South Korean Won	975,763	1.0	97,576	0.1
New Zealand Dollar	602,346	0.6	60,235	0.1
US Dollar	(1,701,205)	(1.7)	(170,121)	(0.2)
Total	85,274,814	83.5	8,527,481	8.4

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	21,104,768	24.2	2,110,477	2.4
European Euro	12,492,436	14.3	1,249,244	1.4
British Pound	8,604,185	9.9	860,419	1.0
Taiwan Dollar	4,517,435	5.2	451,744	0.5
Swiss Franc	3,638,625	4.2	363,863	0.4
South Korean Won	3,010,642	3.5	301,064	0.4
Turkish Lira	2,117,766	2.4	211,777	0.2
Japanese Yen	1,873,524	2.1	187,352	0.2
Swedish Krona	1,352,210	1.6	135,221	0.2
Australian Dollar	1,105,891	1.3	110,589	0.1
Singapore Dollar	877,685	1.0	87,769	0.1
Danish Krone	625,181	0.7	62,518	0.1
US Dollar	(4,851,617)	(5.6)	(485,162)	(0.6)
Total	56,468,731	64.8	5,646,873	6.5

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 95.0% (December 31, 2013 – 97.6%, January 1, 2013 – 98.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $9,897,038 (December 31, 2013 – $9,993,135, January 1, 2013 – $8,549,134). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	–	$452,899	–	$ 6,353	–	$ 11,567
Unrealized loss on currency forward contracts	–	45,916	–	897,325	–	136,079
Redeemable units	$104,245,846	–	$102,406,188	–	$87,169,611	–
	$104,245,846	$498,815	$102,406,188	$903,678	$87,169,611	$147,646

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECFIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Australia	–	–	1.3
Belgium	–	–	0.7
Brazil	1.4	1.0	–
China	3.5	5.5	8.7
Denmark	–	–	0.7
France	4.1	4.6	4.5
Germany	10.0	10.4	8.7
Greece	4.6	2.4	–
Hong Kong	9.9	12.2	13.5
Ireland	4.2	4.6	1.0
Italy	0.3	0.8	–
Japan	9.7	11.6	9.6
Luxembourg	–	–	2.0
Netherlands	1.3	5.4	6.7
New Zealand	0.5	0.6	–
Russia	–	–	0.9
Singapore	–	–	1.0
Portugal	1.3	–	–
South Korea	2.2	1.0	3.5
Spain	3.7	–	–
Sweden	–	1.2	1.6
Switzerland	4.4	4.6	4.2
Taiwan	7.5	6.0	5.2
Thailand	5.2	2.9	–
Turkey	3.2	3.0	2.4
United Kingdom	18.0	19.8	21.9
Currency Forward Contracts	0.2	(0.2)	0.1

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$1,417,586	$97,552,798	$ –	$ 98,970,384
Currency Forward Contracts–Assets	–	265,556	–	265,556
	1,417,586	97,818,354	–	99,235,940
Currency Spot Contracts–Liabilities	–	(45,916)	–	(45,916)
	$1,417,586	$97,772,438	$ –	$ 99,190,024

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$1,011,583	$98,930,832	$ –	$ 99,942,415
Currency Forward Contracts–Assets	–	702,089	–	702,089
	1,011,583	99,632,921	–	100,644,504
Currency Spot Contracts–Liabilities	–	(897,325)	–	(897,325)
	$1,011,583	98,735,596	$ –	$ 99,747,179

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ –	$85,480,521	$ –	$ 85,480,521
Currency Forward Contracts–Assets	–	181,336	–	181,336
	–	85,661,857	–	85,661,857
Currency Forward Contracts–Liabilities	–	(136,079)	–	(136,079)
	$ –	$85,525,778	$ –	$ 85,525,778

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia European Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$22,253,373	$22,359,687	$17,720,840
Unrealized gain on currency spot contracts	–	1	–
Cash	16,575	135,392	80,893
Accrued investment income	20,755	11,391	12,387
Receivable for securities sold	92,345	–	–
Subscriptions receivable	2,046	23,321	3,365
	22,385,094	22,529,792	17,817,485
LIABILITIES			
Current liabilities			
Payable for securities purchased	67,494	–	–
Distributions payable	–	–	20
Redemptions payable	3,626	4,742	14,524
Accrued expenses	51,618	–	–
	122,738	4,742	14,544
Net Assets attributable to holders of redeemable units	$22,262,356	$22,525,050	$17,802,941
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$22,261,395	$22,525,050	$17,359,235
Series F Units	$ 961	$ –	$ –
Series I Units	$ –	$ –	$ 443,706
UNITS OUTSTANDING			
Series A Units	1,700,064	1,728,566	1,766,019
Series F Units	73	–	–
Series I Units	–	–	45,710
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.09	$ 13.03	$ 9.83
Series F Units	$ 13.15	$ –	$ –
Series I Units	$ –	$ –	$ 9.71

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 467,848	$ 432,048
Interest for distribution purposes	482	421
Net realized gain (loss) on non-derivative financial assets	1,759,454	422,399
Net gain (loss) foreign exchange	(7,095)	(3,959)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(1,718,457)	896,219
Change in unrealized appreciation (depreciation) of currency spots	(1)	(245)
Net gain (loss) on investments	502,231	1,746,883
Securities lending	6,400	11,375
Other income	278	239
Total income (loss)	508,909	1,758,497
EXPENSES		
Management fees (note 5)	228,860	179,288
Harmonized Sales Tax/Goods and Services Tax	28,267	23,453
Audit fees	284	253
Independent Review Committee fees	34	31
Custodian fees	10,095	4,511
Filing fees	4,875	7,951
Legal fees	73	132
Unitholder reporting costs	5,032	4,874
Unitholder administration and service fees	19,679	23,335
Overdraft charges	18	13
Foreign withholding taxes/tax reclaims	79,746	68,022
Transaction costs	14,327	3,700
Total expenses	391,290	315,563
Absorbed expenses	(1,271)	(1,142)
Net expenses	390,019	314,421
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 118,890	$1,444,076
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 118,929	$1,404,966
Series F Units**	$ (39)	$ –
Series I Units	$ –	$ 39,110
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.07	$ 0.81
Series F Units**	$ (0.53)	$ –
Series I Units	$ –	$ 1.01
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,735,558	1,743,436
Series F Units**	73	–
Series I Units	–	38,646

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

** Start date March 7, 2014.

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

Scotia European Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$22,525,050	$17,359,235
Series F Units*	–	–
Series I Units	–	443,706
	22,525,050	17,802,941
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	118,929	1,404,966
Series F Units*	(39)	–
Series I Units	–	39,110
	118,890	1,444,076
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,988,971	1,133,667
Series F Units*	1,000	–
Payments on redemption		
Series A Units	(2,371,555)	(1,823,743)
Series I Units	–	(110,989)
	(381,584)	(801,065)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(263,655)	714,890
Series F Units*	961	–
Series I Units	–	(71,879)
	(262,694)	643,011
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	22,261,395	18,074,125
Series F Units*	961	–
Series I Units	–	371,827
	$22,262,356	$18,445,952

* Start date March 7, 2014.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 118,890	$ 1,444,076
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(1,759,454)	(422,399)
Net realized gain (loss) foreign exchange on cash	7,095	3,959
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	1,718,457	(896,219)
Change in unrealized appreciation (depreciation) of currency spot contracts	1	245
Purchases of non-derivative financial assets	(5,271,634)	(1,145,402)
Proceeds from sale of non-derivative financial assets	5,379,767	1,791,005
Transaction costs	14,327	3,700
Accrued investment income	(9,364)	(18,359)
Accrued expenses	51,618	38,125
Net cash provided by (used in) operating activities	249,703	798,731
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,011,246	1,127,081
Amounts paid on redemption of redeemable units	(2,372,671)	(1,939,948)
Distributions to unitholders of redeemable units	–	(20)
Net cash provided by (used in) financing activities	(361,425)	(812,887)
Net gain (loss) foreign exchange on cash	(7,095)	(3,959)
Net increase (decrease) in cash	(111,722)	(14,156)
Cash at beginning of period	135,392	80,893
CASH AT END OF PERIOD	$ 16,575	$ 62,778
Interest received(1)	512	443
Dividends received, net of withholding taxes(1)	378,708	345,645

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 100.0%			
Belgium – 2.6%			
6,458	UCB SA	518,565	582,832
Denmark – 3.5%			
15,724	Novo Nordisk A/S, Class B	308,662	774,335
France – 10.9%			
13,020	Bureau Veritas SA	272,144	385,548
7,041	Legrand SA	392,853	459,191
5,630	Renault SA	551,409	544,090
4,835	Sodexo	365,779	555,129
3,348	Valeo SA	151,628	478,971
		1,733,813	2,422,929
Germany – 17.8%			
4,615	Adidas-Salomon AG	267,278	498,693
5,136	Bayer AG	343,935	773,924
5,514	Deutsche Boerse AG	355,497	456,517
3,460	Fresenius SE & Co. KGaA	274,529	550,468
2,324	Linde AG	288,524	527,241
5,116	Porsche Automobile Holdings SE	355,526	568,444
7,020	SAP AG	369,361	578,440
		2,254,650	3,953,727
Ireland – 2.7%			
3,822	Kerry Group PLC	322,743	306,265
11,684	Smurfit Kappy Group PLC	347,374	284,684
		670,117	590,949
Italy – 4.0%			
355,979	Telecom Italia SpA, di Risp Non Conv.	399,583	374,744
58,558	UniCredit SpA	511,159	523,234
		910,742	897,978
Netherlands – 7.7%			
5,354	ASML Holding NV	213,768	531,556
20,384	Delta Lloyd NV	536,461	551,534
42,890	ING Groep NV	388,109	642,005
		1,138,338	1,725,095
Norway – 7.3%			
31,264	DnB NOR ASA	384,700	609,285
11,222	Seadrill Ltd.	318,980	474,370
16,225	Statoil ASA	338,614	533,974
		1,042,294	1,617,629
Spain – 4.9%			
13,046	Amadeus Global Travel Distribution SA	534,531	573,398
3,127	Industria de Diseno Textil SA	452,143	514,394
		986,674	1,087,792
Sweden – 6.4%			
9,881	Hennes & Mauritz AB, Class B	353,019	460,030
9,922	Kinnevik Investment AB Class B	224,075	450,631
17,886	Swedbank AB	215,261	505,443
		792,355	1,416,104
Switzerland – 10.2%			
3,267	Roche Holdings AG	613,298	1,039,988
1,632	Syngenta AG	448,776	650,471
30,004	UBS AG	440,629	586,516
		1,502,703	2,276,975
United Kingdom – 22.0%			
28,174	ARM Holdings PLC	323,732	453,686
23,776	BG Group PLC	419,237	536,222
25,731	GlaxoSmithKline PLC	761,462	733,495
96,855	Hays Plc.	264,386	257,932
5,581	Randgold Resources Limited	467,833	500,903

For equities, all common shares unless otherwise noted.

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

Scotia European Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
9,466	SABMiller PLC	349,844	585,060
11,381	Schroders PLC	475,302	519,957
28,221	Sports Direct International	347,456	363,502
103,094	Vodafone Group PLC	290,230	367,525
12,328	Weir Group PLC, The	397,927	588,746
		4,097,409	4,907,028
	TOTAL INVESTMENT PORTFOLIO	15,956,322	22,253,373
	OTHER ASSETS, LESS LIABILITIES – 0.0%		8,983
	NET ASSETS – 100.0%		22,262,356

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia European Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$22,517,635	$17,798,228
Revaluation of Investments at FVTPL	7,415	4,713
Net assets attributable to holders of redeemable units	$22,525,050	$17,802,941

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$1,448,682
Revaluation of Investments at FVTPL	(4,606)
Increase (decrease) in net assets attributable to holders of redeemable units	$1,444,076

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	11,261,749	50.6	1,126,175	5.1
British Pound	4,907,188	22.0	490,719	2.2
Swiss Franc	2,277,029	10.2	227,703	1.0
Norwegian Krone	1,617,644	7.3	161,764	0.7
Swedish Krona	1,416,119	6.4	141,612	0.6
Danish Krone	774,342	3.5	77,434	0.4
US Dollar	53	0.0	5	0.0
Total	22,254,124	100.0	2,225,412	10.0

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	10,453,073	46.4	1,045,307	4.6
British Pound	5,129,788	22.8	512,979	2.3
Swiss Franc	2,211,657	9.8	221,166	1.0
Norwegian Krone	2,052,182	9.1	205,218	0.9
Swedish Krona	1,852,119	8.2	185,212	0.8
Danish Krone	656,304	2.9	65,630	0.3
Total	22,355,123	99.2	2,235,512	9.9

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	7,004,491	39.3	700,449	3.9
British Pound	4,735,995	26.6	473,600	2.7
Norwegian Krone	2,208,041	12.4	220,804	1.2
Swiss Franc	1,732,828	9.7	173,283	1.0
Swedish Krona	1,557,047	8.7	155,705	0.9
Danish Krone	482,438	2.7	48,244	0.3
Total	17,720,840	99.4	1,772,084	9.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 99.3%, January 1, 2013 – 99.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $2,225,337 (December 31, 2013 – $2,235,227, January 1, 2013 – $1,771,613). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	–	$122,738	–	$4,742	–	$14,544
Redeemable units	$22,262,356	–	$22,525,050	–	$17,802,941	–
	$22,262,356	$122,738	$22,525,050	$4,742	$17,802,941	$14,544

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Belgium	2.6	–	–
Denmark	3.5	2.9	2.7
France	10.9	13.0	12.3
Germany	17.8	21.1	20.6
Ireland	2.7	–	–
Italy	4.0	–	–
Netherlands	7.7	7.6	6.5
Norway	7.3	9.1	12.4
Portugal	4.9	4.8	–
Sweden	6.4	8.2	8.7
Switzerland	10.2	9.8	9.7
United Kingdom	22.0	22.8	26.6
Currency Spot Contracts	–	0.0	–

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$ –	$22,253,373	$ –	$22,253,373

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$ –	$22,359,687	$ –	$22,359,687
Currency Spot Contracts–Assets	1	–	–	1
	$ 1	$22,359,687	$ –	$22,359,688

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ –	$17,720,840	$ –	$17,720,840

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Pacific Rim Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$16,965,727	$18,556,632	$20,886,318
Unrealized gain on currency forward contracts	67,024	221,857	112,212
Cash	685,152	532,111	751,863
Accrued investment income	74,977	14,322	4,736
Receivable for securities sold	59,059	62,677	–
Subscriptions receivable	13,456	6,787	6,543
	17,865,395	19,394,386	21,761,672
LIABILITIES			
Current liabilities			
Payable for securities purchased	87,448	4,625	–
Distributions payable	–	25	–
Redemptions payable	4,975	10,362	49,727
Accrued expenses	40,374	–	–
Unrealized loss on currency spot contracts	67	4	–
Unrealized loss on currency forward contracts	–	19,554	12,959
	132,864	34,570	62,686
Net Assets attributable to holders of redeemable units	$17,732,531	$19,359,816	$21,698,986
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$17,732,531	$19,359,816	$19,963,626
Series I Units	$ –	$ –	$ 1,735,360
UNITS OUTSTANDING			
Series A Units	1,554,058	1,708,108	1,916,563
Series I Units	–	–	142,399
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.41	$ 11.33	$ 10.42
Series I Units	$ –	$ –	$ 12.19

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (Note 2)		
Dividends	$ 307,270	$ 297,766
Interest for distribution purposes	326	537
Net realized gain (loss) on non-derivative financial assets	740,140	(832,281)
Net realized gain (loss) on currency forwards	(34,126)	561,110
Net gain (loss) foreign exchange	(14,945)	11,830
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(432,425)	959,182
Change in unrealized appreciation (depreciation) of currency spots	(63)	–
Change in unrealized appreciation (depreciation) of currency forwards	(135,279)	(284,980)
Net gain (loss) on investments	430,898	713,164
Securities lending	–	6,419
Other income	28	895
Total income (loss)	430,926	720,478
EXPENSES		
Management fees (note 5)	185,025	199,740
Harmonized Sales Tax/Goods and Services Tax	22,323	26,416
Audit fees	612	291
Independent Review Committee fees	27	38
Custodian fees	7,278	13,176
Filing fees	6,762	7,983
Legal fees	59	101
Unitholder reporting costs	6,580	9,415
Unitholder administration and service fees	18,356	22,954
Overdraft charges	560	43
Foreign withholding taxes/tax reclaims	32,559	19,476
Transaction costs	17,615	21,280
Total expenses	297,756	320,913
Net expenses	297,756	320,913
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 133,170	$ 399,565
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 133,170	$ 344,143
Series I Units	$ –	$ 55,422
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.08	$ 0.18
Series I Units	$ –	$ 0.46
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,632,230	1,862,149
Series I Units	–	121,548

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Pacific Rim Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$19,359,816	$19,963,626
Series I Units	–	1,735,360
	19,359,816	21,698,986
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	133,170	344,143
Series I Units	–	55,422
	133,170	399,565
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	614,626	1,175,186
Payments on redemption		
Series A Units	(2,375,081)	(2,308,010)
Series I Units	–	(364,979)
	(1,760,455)	(1,497,803)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(1,627,285)	(788,681)
Series I Units	–	(309,557)
	(1,627,285)	(1,098,238)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	17,732,531	19,174,945
Series I Units	–	1,425,803
	$17,732,531	$20,600,748

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 133,170	$ 399,565
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(740,140)	832,281
Net realized gain (loss) foreign exchange on cash	14,945	(11,830)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	432,425	(959,181)
Change in unrealized appreciation (depreciation) of forward currency contracts	135,279	284,980
Change in unrealized appreciation (depreciation) of currency spot contracts	63	–
Purchases of non-derivative financial assets	(3,301,875)	(3,361,719)
Proceeds from sale of non-derivative financial assets	5,269,321	4,210,742
Transaction costs	17,615	21,280
Accrued investment income	(60,655)	(74,718)
Accrued expenses	40,374	41,337
Net cash provided by (used in) operating activities	1,940,522	1,382,737
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	607,957	1,168,459
Amounts paid on redemption of redeemable units	(2,380,468)	(2,719,744)
Distributions to unitholders of redeemable units	(25)	–
Net cash provided by (used in) financing activities	(1,772,536)	(1,551,285)
Net gain (loss) foreign exchange on cash	(14,945)	11,830
Net increase (decrease) in cash	167,986	(168,548)
Cash at beginning of period	532,111	751,862
CASH AT END OF PERIOD	$ 685,152	$ 595,144
Interest received(1)	312	571
Dividends received, net of withholding taxes(1)	214,070	203,538

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.7%			
Australia – 3.2%			
13,767	Westpac Banking Corporation	304,470	469,590
1,000	Westpac Banking Corporation, Preferred, Series CPS	104,981	104,114
		409,451	573,704
China – 4.9%			
562,900	China Liansu Group Holdings Ltd.	450,387	321,638
714,000	Chongqing Rural Commercial Bank Co., Ltd.	496,926	352,118
577,700	Top Spring International Holdings Limited	323,398	189,251
		1,270,711	863,007
Hong Kong – 16.0%			
849,200	China Modern Dairy Holdings Ltd.	303,350	356,621
168,000	Chow Tai Fook Jewellery Company Ltd.	223,132	273,859
554,000	Greatview Aseptic Packaging Company Limited	335,102	404,171
110,500	MGM China Holdings Ltd.	174,684	409,258
526,000	Trinity Ltd.	208,434	119,482
462,000	Value Partners Group Limited	408,062	330,281
509,000	Xingda International Holdings Ltd	314,344	218,617
454,000	Xinyi Glass Holdings Ltd.	369,428	284,146
456,000	Xinyi Solar Holdings Ltd.	71,362	124,898
1,854,000	YuanShengTai Dairy Farm Ltd.	469,570	313,955
		2,877,468	2,835,288
Indonesia – 10.0%			
3,308,000	Ciputra Property Tbk PT	287,810	206,715
388,604	PT Bank Mandiri	273,394	340,055
1,332,500	PT Matahari Putra Prima Tbk	246,245	374,456
2,180,000	Ramayana Lestari Sentosa Tbk PT	198,386	230,333
4,213,500	Tiphone Mobile Indonesia Tbk PT	297,207	293,627
5,952,500	Wismilak Inti Makmur Tbk PT	543,401	326,572
		1,846,443	1,771,758
Japan – 23.8%			
10,400	Aisin Seiki Co., Ltd.	292,887	442,243
14,900	Anritsu Corporation	191,873	178,906
2,100	FANUC Corp.	255,636	387,158
38,000	H2O Retailing Corp.	360,105	314,418
10,800	Honda Motor Co., Ltd.	388,227	403,043
6,200	Horiba Ltd.	252,673	237,898
6,600	KDDI Corporation	170,049	430,417
5,700	NIDEC Corporation	230,787	373,892
4,500	Nitori Holdings Co., Ltd.	184,124	262,767
5,300	Nitto Denko Corporation	223,980	265,470
5,000	Sumitomo Mitsui Financial Group, Inc.	237,925	223,986
8,000	Tamron Co., Ltd.	237,685	204,755
4,100	Unicharm Corporation	131,482	260,984
8,100	Zenkoku Hosho Co. Ltd.	218,739	235,557
		3,376,172	4,221,494
Malaysia – 0.8%			
34,000	Tenaga Nasional Bhd	93,071	137,626
New Zealand – 1.0%			
31,500	Fonterra Shareholders' Fund	186,536	170,689
Philippines – 1.9%			
2,230,000	Vista Land & Lifescapes Inc.	306,111	333,761
Singapore – 2.1%			
173,200	Sarine Technologies Ltd.	275,726	380,956
South Korea – 6.1%			
14,400	Daewoo Shipbuilding & Marine Engineering Co. Ltd.	457,760	390,373
8,726	Interpark INT Corporation	173,784	192,005
12,690	Korea Aerospace Industries Ltd.	295,572	416,842
600	Medy-Tox Inc.	87,106	87,019
		1,014,222	1,086,239

For equities, all common shares unless otherwise noted.

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

Scotia Pacific Rim Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Taiwan – 13.7%			
42,440	Asustek Computer Inc.	301,344	503,564
190,600	Chailease Holding	285,714	511,348
261,000	CTCI Corp	436,249	482,044
161,000	Lumax International Corp., Ltd.	360,128	412,811
28,494	MediaTek Inc.	348,452	514,568
		1,731,887	2,424,335
Thailand – 12.2%			
817,500	Amata Corporation Public Co. Ltd.	464,346	454,500
4,800,100	Ananda Development PCL	344,223	419,931
622,750	Krung Thai Bank Public Company Limited	358,886	428,310
588,500	Nok Airlines Company Ltd.	373,597	331,458
553,600	Pruksa Real Estate PCL	457,356	532,671
		1,998,408	2,166,870
	TOTAL INVESTMENT PORTFOLIO	15,386,206	16,965,727
	Currency Spot Contracts – 0.0%		(67)
	Currency Forward Contracts – 0.4%		67,024
	OTHER ASSETS, LESS LIABILITIES – 3.9%		699,847
	NET ASSETS – 100.0%		17,732,531

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	19,304	Japanese Yen	1,837,343	19,349	(45)
Jul. 2, 2014	Canadian Dollar	10,283	Hong Kong Dollar	74,863	10,305	(22)
						(67)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	2,415,801	Japanese Yen	225,000,000	2,370,664	45,137
Jul. 17, 2014	Canadian Dollar	747,190	Japanese Yen	69,600,000	733,326	13,864
Aug. 14, 2014	Canadian Dollar	435,300	U.S. Dollar	400,000	427,277	8,023
						67,024

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Pacific Rim Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$19,359,183	$21,696,908
Revaluation of Investments at FVTPL	633	2,078
Net assets attributable to holders of redeemable units	$19,359,816	$21,698,986

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$401,134
Revaluation of Investments at FVTPL	(1,569)
Increase (decrease) in net assets attributable to holders of redeemable units	$399,565

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	3,704,914	20.9	370,491	2.1
Taiwan Dollar	3,033,484	17.1	303,348	1.7
Thai Baht	2,166,871	12.2	216,687	1.2
Indonesian Rupiah	1,771,766	10.0	177,177	1.0
Japanese Yen	1,120,479	6.3	112,048	0.6
South Korean Won	1,086,240	6.1	108,624	0.6
Australian Dollar	573,704	3.2	57,370	0.3
Singapore Dollar	380,956	2.1	38,096	0.2
Philippines Peso	333,879	1.9	33,388	0.2
New Zealand Dollar	171,975	1.0	17,198	0.1
Malaysian Ringgit	137,626	0.8	13,763	0.1
US Dollar	(427,277)	(2.4)	(42,728)	(0.2)
Total	14,054,617	79.2	1,405,462	7.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	4,958,862	25.6	495,886	2.6
Taiwan Dollar	2,503,906	12.9	250,391	1.3
Japanese Yen	2,210,993	11.4	221,099	1.1
Indonesian Rupiah	1,521,915	7.9	152,192	0.8
Thai Baht	1,488,180	7.7	148,818	0.8
South Korean Won	882,718	4.6	88,272	0.5
Australian Dollar	617,094	3.2	61,709	0.3
Singapore Dollar	215,303	1.1	21,530	0.1
New Zealand Dollar	199,261	1.0	19,926	0.1
Malaysian Ringgit	197,465	1.0	19,747	0.1
US Dollar	(531,626)	(2.7)	(53,163)	(0.3)
Total	14,264,071	73.7	1,426,407	7.4

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	5,622,505	25.9	562,251	2.6
Taiwan Dollar	2,350,379	10.8	235,038	1.1
South Korean Won	1,676,841	7.7	167,684	0.8
Indonesian Rupiah	1,640,218	7.6	164,022	0.8
Japanese Yen	1,393,288	6.4	139,329	0.6
Australian Dollar	1,288,117	5.9	128,812	0.6
Thai Baht	1,243,077	5.7	124,308	0.6
Singapore Dollar	1,036,156	4.8	103,616	0.5
US Dollar	(1,261,190)	(5.8)	(126,119)	(0.6)
Total	14,989,391	69.0	1,498,939	6.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 95.7% (December 31, 2013 – 95.9%, January 1, 2013 – 96.2%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $1,696,573 (December 31, 2013 – $1,855,600, January 1, 2013 – $2,088,424). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	–	$132,797	–	$15,012	–	$49,727
Unrealized loss on currency spot contracts	–	67	–	4	–	–
Unrealized loss on currency forward contracts	–	–	–	19,554	–	12,959
Redeemable units	$17,732,531	–	$19,359,816	–	$21,698,986	–
	$17,732,531	$132,864	$19,359,816	$34,570	$21,698,986	$62,686

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Australia	3.2	3.2	6.0
China	4.9	6.8	11.4
Hong Kong	16.0	18.8	15.9
Indonesia	10.0	7.9	7.6
Japan	23.8	30.9	27.8
Malaysia	0.8	1.0	–
New Zealand	1.0	1.0	–
Philippines	1.9	–	–
Singapore	2.1	1.1	3.3
South Korea	6.1	4.6	7.7
Taiwan	13.7	12.9	10.8
Thailand	12.2	7.7	5.7
Currency Spot Contracts	0.0	–	–
Currency Forward Contracts	0.4	1.0	0.5

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$ –	$16,965,727	$ –	$16,965,727
Currency Forward Contracts–Assets	–	67,024	–	67,024
	–	17,032,751	–	17,032,751
Currency Spot Contracts–Liabilities	(67)	–		(67)
	$ (67)	$17,032,751	$ –	$17,032,684

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 97,204	$18,459,428	$ –	$18,556,632
Currency Forward Contracts–Assets	–	221,857	–	221,857
	97,204	18,681,285	–	18,778,489
Currency Spot Contracts–Liabilities	(4)	–		(4)
Currency Forward Contracts–Liabilities	–	(19,554)	–	(19,554)
	(4)	(19,554)		(19,558)
	$ 97,200	$18,661,731	$ –	$18,758,931

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$105,463	$20,780,855	$ –	$20,886,318
Currency Forward Contracts–Assets	–	112,212	–	112,212
	105,463	20,893,067	–	20,998,530
Currency Forward Contracts–Liabilities	–	(12,959)	–	(12,959)
	$105,463	$20,880,108	$ –	$20,985,571

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Latin American Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$37,948,465	$38,861,717	$51,222,631
Cash	101,379	70,931	53,347
Accrued investment income	212,871	84,597	391,625
Receivable for securities sold	213,380	199,288	852,235
Subscriptions receivable	4,172	12,193	18,260
	38,480,267	39,228,726	52,538,098
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	597,812
Distributions payable	–	697	1,276
Redemptions payable	87,083	65,014	23,433
Accrued expenses	84,818	–	–
	171,901	65,711	622,521
Net Assets attributable to holders of redeemable units	$38,308,366	$39,163,015	$51,915,577
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$38,301,433	$39,115,614	$49,616,854
Series F Units	$ 6,933	$ 47,401	$ 50,796
Series I Units	$ –	$ –	$ 2,247,927
UNITS OUTSTANDING			
Series A Units	1,752,188	1,939,152	2,255,580
Series F Units	312	2,315	2,267
Series I Units	–	–	96,095
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 21.86	$ 20.17	$ 22.00
Series F Units	$ 22.24	$ 20.47	$ 22.41
Series I Units	$ –	$ –	$ 23.39

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 444,644	$ 631,579
Interest for distribution purposes	349,252	275,256
Net realized gain (loss) on non-derivative financial assets	298,596	4,160,833
Net gain (loss) foreign exchange	(114,679)	(43,737)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	2,660,008	(8,837,253)
Net gain (loss) on investments	3,637,821	(3,813,322)
Securities lending	60	363
Other income	192	2,613
Total income (loss)	3,638,073	(3,810,346)
EXPENSES		
Management fees (note 5)	469,259	611,940
Harmonized Sales Tax/Goods and Services Tax	47,261	63,489
Audit fees	443	653
Independent Review Committee fees	56	89
Custodian fees	22,464	55,963
Filing fees	10,616	9,179
Legal fees	119	227
Unitholder reporting costs	6,997	7,155
Unitholder administration and service fees	34,885	44,219
Overdraft charges	36	175
Foreign withholding taxes/tax reclaims	84,750	99,376
Transaction costs	38,249	81,643
Total expenses	715,135	974,108
Absorbed expenses	(97,866)	(133,948)
Net expenses	617,269	840,160
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$3,020,804	$(4,650,506)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$3,022,085	$(4,484,345)
Series F Units	$ (1,281)	$ (4,962)
Series I Units	$ –	$ (161,199)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.64	$ (2.06)
Series F Units	$ (2.14)	$ (2.19)
Series I Units	$ –	$ (1.84)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	1,840,859	2,174,512
Series F Units	600	2,267
Series I Units	–	87,843

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Latin American Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$39,115,614	$49,616,854
Series F Units	47,401	50,796
Series I Units	–	2,247,927
	39,163,015	51,915,577
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	3,022,085	(4,484,345)
Series F Units	(1,281)	(4,962)
Series I Units	–	(161,199)
	3,020,804	(4,650,506)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,438,428	3,071,455
Payments on redemption		
Series A Units	(5,274,694)	(6,967,002)
Series F Units	(39,187)	–
Series I Units	–	(286,980)
	(3,875,453)	(4,182,527)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(814,181)	(8,379,892)
Series F Units	(40,468)	(4,962)
Series I Units	–	(448,179)
	(854,649)	(8,833,033)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	38,301,433	41,236,962
Series F Units	6,933	45,834
Series I Units	–	1,799,748
	$38,308,366	$43,082,544

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 3,020,804	$ (4,650,506)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(298,596)	(4,160,833)
Net realized gain (loss) foreign exchange on cash	114,679	43,737
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(2,660,008)	8,837,253
Purchases of non-derivative financial assets	(16,865,324)	(37,156,620)
Proceeds from sale of non-derivative financial assets	20,684,839	41,359,913
Transaction costs	38,249	81,643
Accrued investment income	(128,274)	5,531
Accrued expenses	84,818	90,063
Net cash provided by (used in) operating activities	3,991,187	4,450,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,446,449	3,058,515
Amounts paid on redemption of redeemable units	(5,291,812)	(7,264,688)
Distributions to unitholders of redeemable units	(697)	(1,276)
Net cash provided by (used in) financing activities	(3,846,060)	(4,207,449)
Net gain (loss) foreign exchange on cash	(114,679)	(43,737)
Net increase (decrease) in cash	145,127	242,731
Cash at beginning of period	70,931	53,347
CASH AT END OF PERIOD	$ 101,379	$ 252,341
Interest received(1)	349,235	275,211
Dividends received, net of withholding taxes(1)	231,638	537,779

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.1%			
Brazil – 65.2%			
68,356	Banco Bradesco S.A.	1,069,720	1,063,973
167,476	Banco do Estado do Rio Grande do Sul S.A.	1,011,578	869,201
103,969	BB Seguridade Participacoes S/A	1,314,667	1,628,335
80,695	Bradespar SA, Preferred	855,215	788,916
82,811	CETIP	1,123,416	1,257,384
196,997	Cyrela Brazil Realty SA	1,316,348	1,314,398
167,975	Duratex SA	1,008,471	731,494
85,592	Estacio Participacoes SA	777,781	1,208,699
71,684	EZ Tec Empreendimentos e Participacoes SA	895,334	810,528
108,115	Gerdau SA, Preference	765,487	675,428
136,885	Grendene SA	1,207,869	912,659
69,138	Grupo BTG Pactual	1,040,453	1,148,244
18,832	Guararapes Confeccoes SA	940,189	963,743
134,204	Itau Unibanco Holding SA, Preference	1,960,185	2,071,422
501,760	Itausa-Investimentos Itau SA, Preference	2,112,747	2,105,108
41,943	Kroton Educacional SA	741,551	1,254,671
106,120	Light SA	949,647	1,104,600
84,887	Mahle-Metal Leve SA Industria e Comercio	957,998	942,192
68,486	Petroleo Brasileiro S.A.	508,175	536,966
84,930	Petroleo Brasileriro S.A., Preferred	647,647	708,949
93,161	Vale SA	1,496,335	1,315,136
122,592	Vale SA ADR, Preference	2,087,215	1,554,405
		24,788,028	24,966,451
Chile – 2.9%			
3,139,160	Enersis SA	1,166,562	1,128,956
Columbia – 3.0%			
53,438	Pacific Rubiales Energy Corporation	1,048,390	1,134,092
Mexico – 23.6%			
1,499,045	Cemex SAB de CV	1,483,183	2,115,490
208,210	Compartamos SAB de CV	414,618	428,379
457,803	Corporacion Inmobiliaria Vesta SAB de CV	1,024,168	1,023,764
371,122	Fibra Uno Administracion SA de CV	1,182,304	1,386,004
89,748	Gruma, S.A.B. de C.V.	770,581	1,146,164
398,225	Grupo Lala SAB de CV	929,784	1,123,479
168,080	Grupo Mexico SAB de CV, Series B	559,849	598,006
274,155	Mexichem SAB	1,100,441	1,211,398
		7,464,928	9,032,684
Peru – 2.4%			
73,494	Compania de Minas Buenaventura SA ADR	1,043,007	925,986
United States – 2.0%			
39,570	Grana y Montero SAA	813,072	760,296
	TOTAL INVESTMENT PORTFOLIO	36,323,987	37,948,465
	OTHER ASSETS, LESS LIABILITIES – 0.9%		359,901
	NET ASSETS – 100.0%		38,308,366

For equities, all common shares unless otherwise noted.

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

Scotia Latin American Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$39,152,011	$51,880,018
Revaluation of Investments at FVTPL	11,004	35,559
Net assets attributable to holders of redeemable units	$39,163,015	$51,915,577

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(4,995,286)
Revaluation of Investments at FVTPL	344,780
Increase (decrease) in net assets attributable to holders of redeemable units	$(4,650,506)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Brazilian Real	23,412,048	61.1	2,341,205	6.1
Mexican Peso	9,032,683	23.6	903,268	2.4
US Dollar	3,251,313	8.5	325,131	0.9
Colombia Peso	1,134,092	3.0	113,409	0.3
Chile Peso	1,128,956	2.9	112,896	0.3
Total	37,959,092	99.1	3,795,909	10.0

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Brazilian Real	23,644,574	60.4	2,364,457	6.0
Mexican Peso	8,479,218	21.7	847,922	2.2
US Dollar	3,997,702	10.2	399,770	1.0
Chile Peso	1,864,832	4.8	186,483	0.5
Colombia Peso	875,391	2.2	87,539	0.2
Total	38,861,717	99.3	3,886,172	9.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Brazilian Real	29,345,589	56.5	2,934,559	5.7
Mexican Peso	11,006,381	21.2	1,100,638	2.1
US Dollar	8,889,966	17.1	888,997	1.7
Chile Peso	1,980,695	3.8	198,070	0.4
Total	51,222,631	98.6	5,122,263	9.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.1% (December 31, 2013 – 99.2%, January 1, 2013 – 98.7%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $3,794,847 (December 31, 2013 – $3,885,071, January 1, 2013 – $5,118,707). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$171,901	$ –	$65,711	$ –	$622,521
Redeemable units	38,308,366	–	39,163,015	–	51,915,577	–
	$38,308,366	$171,901	$39,163,015	$65,711	$51,915,577	$622,521

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Industry Sector	June 30, 2014	December 31, 2013	January 1, 2013
Brazil	65.2	66.1	68.6
Canada	–	–	–
Chile	2.9	4.8	3.8
Colombia	3.0	2.2	–
Mexico	23.6	21.6	24.5
United States	2.0	1.7	1.8
Peru	2.4	2.8	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$36,814,373	$1,134,092	$ –	$37,948,465

Scotia Latin American Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$37,986,326	$875,391	$ –	$38,861,717

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$51,222,631	$ –	$ –	$51,222,631

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$368,907,180	$296,990,834	$85,209,805
Unrealized gain on currency spot contracts	16	193	1
Unrealized gain on currency forward contracts	2,374,915	35,938	183,329
Cash	10,540,912	29,058,287	6,825,347
Accrued investment income	669,421	516,675	177,507
Receivable for securities sold	8,633,772	181,292	120,836
Subscriptions receivable	239,133	797,096	75,942
	391,365,349	327,580,315	92,592,767
LIABILITIES			
Current liabilities			
Payable for securities purchased	9,764,410	–	10,434
Redemptions payable	167,828	41,293	13,492
Accrued expenses	241,989	–	–
Unrealized loss on currency spot contracts	19,859	–	55
Unrealized loss on currency forward contracts	88,232	2,266,650	961,785
	10,282,318	2,307,943	985,766
Net Assets attributable to holders of redeemable units	$381,083,031	$325,272,372	$91,607,001
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$119,919,357	$ 91,124,139	$34,672,583
Series I Units	$261,163,674	$234,148,233	$56,934,418
UNITS OUTSTANDING			
Series A Units	7,921,978	6,445,086	3,004,668
Series I Units	17,158,714	16,654,751	5,010,948
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 15.14	$ 14.14	$ 11.54
Series I Units	$ 15.22	$ 14.06	$ 11.36

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 6,305,139	$ 2,034,092
Interest for distribution purposes	186,852	60,433
Net realized gain (loss) on non-derivative financial assets	10,647,522	7,237,049
Net realized gain (loss) on currency forwards	(4,704,943)	(1,347,820)
Net gain (loss) foreign exchange	(97,548)	(69,971)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	13,001,206	5,912,081
Change in unrealized appreciation (depreciation) of currency spots	(20,037)	(482)
Change in unrealized appreciation (depreciation) of currency forwards	4,517,395	(941,148)
Net gain (loss) on investments	29,835,586	12,884,234
Securities lending	34,137	15,142
Other income	1,516	1,915
Total income (loss)	29,871,239	12,901,291
EXPENSES		
Management fees (note 5)	1,077,988	495,911
Harmonized Sales Tax/Goods and Services Tax	115,328	54,909
Audit fees	3,908	1,356
Independent Review Committee fees	534	194
Custodian fees	21,227	6,672
Filing fees	12,033	8,082
Legal fees	1,145	484
Unitholder reporting costs	6,698	4,589
Unitholder administration and service fees	42,437	18,678
Overdraft charges	(2,836)	25
Foreign withholding taxes/tax reclaims	1,080,868	347,988
Transaction costs	255,196	137,578
Net expenses	2,614,526	1,076,466
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$27,256,713	$11,824,825
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 7,213,730	$ 4,565,451
Series I Units	$20,042,983	$ 7,259,374
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.98	$ 1.14
Series I Units	$ 1.17	$ 1.45
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	7,361,551	4,003,654
Series I Units	17,201,448	5,014,131

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Global Dividend Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 91,124,139	$ 34,672,583
Series I Units	234,148,233	56,934,418
	325,272,372	91,607,001
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	7,213,730	4,565,451
Series I Units	20,042,983	7,259,374
	27,256,713	11,824,825
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	29,508,111	26,381,798
Series I Units	14,275,458	2,811,177
Payments on redemption		
Series A Units	(7,926,623)	(4,124,145)
Series I Units	(7,303,000)	(1,800,999)
	28,553,946	23,267,831
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	28,795,218	26,823,104
Series I Units	27,015,441	8,269,552
	55,810,659	35,092,656
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	119,919,357	61,495,687
Series I Units	261,163,674	65,203,970
	$381,083,031	$126,699,657

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 27,256,713	$ 11,824,825
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(10,647,522)	(7,237,049)
Net realized gain (loss) foreign exchange on cash	97,548	69,971
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(13,001,206)	(5,912,081)
Change in unrealized appreciation (depreciation) of forward currency contracts	(4,517,395)	941,148
Change in unrealized appreciation (depreciation) of currency spot contracts	20,037	482
Purchases of non-derivative financial assets	(124,066,616)	(73,729,992)
Proceeds from sale of non-derivative financial assets	76,855,729	56,570,326
Transaction costs	255,196	137,578
Accrued investment income	(152,746)	(59,192)
Accrued expenses	241,989	109,147
Net cash provided by (used in) operating activities	(47,658,273)	(17,284,837)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	44,341,533	29,004,342
Amounts paid on redemption of redeemable units	(15,103,088)	(5,917,769)
Net cash provided by (used in) financing activities	29,238,445	23,086,573
Net gain (loss) foreign exchange on cash	(97,548)	(69,971)
Net increase (decrease) in cash	(18,419,828)	5,801,736
Cash at beginning of period	29,058,287	6,825,347
CASH AT END OF PERIOD	$ 10,540,911	$ 12,557,112
Interest received(1)	207,379	58,875
Dividends received, net of withholding taxes(1)	5,050,999	1,628,470

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 96.1%			
Australia – 1.3%			
270,050	Insurance Australia Group Ltd.	1,492,993	1,587,313
672,400	Telstra Corporation Limited	2,720,484	3,525,789
		4,213,477	5,113,102
Brazil – 0.5%			
231,450	Ambev SA	1,639,105	1,761,053
330	Ambev SA	2,754	2,477
		1,641,859	1,763,530
Canada – 2.0%			
19,800	Baytex Energy Corporation	843,726	975,150
114,400	Husky Energy Inc.	3,304,371	3,942,224
58,200	Loblaw Companies Limited	2,432,107	2,771,484
		6,580,204	7,688,858
China – 0.4%			
1,393,900	China Longyuan Power Group Corp. Class H	1,770,951	1,614,590
France – 6.7%			
55,077	Eutelsat Communications	1,748,640	2,040,582
96,595	GDF Suez	2,126,265	2,833,343
21,317	Renault SA	2,247,676	2,060,099
68,126	Rexel SA	1,686,562	1,699,121
14,917	Safran SA	1,120,568	1,041,303
42,472	Sanofi-Aventis	4,534,401	4,819,290
17,396	Schneider Electric SA	1,319,179	1,750,315
84,300	Total SA ADR	4,846,506	6,497,379
111,441	Vivendi	3,367,766	2,907,513
		22,997,563	25,648,945
Germany – 3.6%			
47,450	Bayer AG	5,136,499	7,150,058
15,550	Daimler AG	1,592,707	1,553,560
51,250	Deutsche Post AG	2,080,729	1,977,460
20,800	Siemens AG	2,461,525	2,930,706
		11,271,460	13,611,784
Hong Kong – 3.1%			
349,400	China Mobile Limited	3,523,382	3,618,803
224,000	Hongkong Electric Holdings Limited	1,963,690	2,090,481
2,113,200	Huaneng Power International Inc., Class H	2,154,738	2,545,887
251,840	Sun Hung Kai Properties Limited	3,563,920	3,685,909
11,161	Sun Hung Kai Properties Limited Warrants Apr. 22, 2016	–	15,548
		11,205,730	11,956,628
Indonesia – 0.6%			
2,650,600	PT Bank Mandiri	2,063,998	2,319,458
Ireland – 0.2%			
29,800	CRH PLC	942,327	818,632
Italy – 1.1%			
75,100	Azimut Holding SpA	2,163,610	2,065,232
23,300	Eni SpA	594,781	679,439
157,500	Mediolanum S.p.A.	1,479,313	1,295,584
		4,237,704	4,040,255
Japan – 1.2%			
59,300	Honda Motor Co., Ltd.	2,446,815	2,213,002
54,300	Nabtesco Corporation	1,177,352	1,283,040
14,500	Toyota Motor Corporation	955,375	930,544
		4,579,542	4,426,586
Netherlands – 2.9%			
102,484	Koninklijke Ahold NV	1,536,871	2,051,474
32,300	Koninklijke Boskalis Westminster NV	2,007,860	1,974,214
68,950	Koninklijke Philips Electronics NV	2,153,804	2,331,792
41,950	Nutreco NV	1,970,181	1,976,200

For equities, all common shares unless otherwise noted.

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

Scotia Global Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Netherlands (cont'd)			
55,600	Unilever NV	2,283,156	2,594,525
		9,951,872	10,928,205
Peru – 0.5%			
10,350	Credicorp Limited	1,342,691	1,716,682
Portugal – 0.8%			
161,300	Galp Energia SGPS SA	2,992,127	3,150,848
Russia – 0.5%			
161,650	Sberbank of Russia	1,933,319	1,753,879
Singapore – 1.1%			
1,244,500	Singapore Telecommunications Limited	3,755,996	4,101,272
South Africa – 0.1%			
625,088	African Bank Investments Limited	825,961	425,720
Sweden – 1.1%			
95,000	Swedbank AB	2,430,559	2,684,620
179,000	TeliaSonera AB	1,338,620	1,393,041
		3,769,179	4,077,661
Switzerland – 11.8%			
213,007	Credit Suisse Group AG	6,377,986	6,470,558
62,700	EFG INRternational AG	765,065	780,740
56,400	GAM Holding Ltd.	1,097,129	1,146,461
108,850	Nestle SA	7,163,809	8,997,316
100,000	Novartis AG	7,478,988	9,663,202
4,950	Partners Group Holding AG	1,322,361	1,442,086
29,400	Roche Holdings AG	7,345,869	9,358,941
381,000	UBS AG	7,836,880	7,447,764
		39,388,087	45,307,068
Thailand – 1.1%			
335,400	Bangkok Bank Public Company Limited	2,079,349	2,129,074
344,500	Siam Commercial Bank Public Company Limited	1,713,676	1,909,438
		3,793,025	4,038,512
Turkey – 0.6%			
131,700	Turkcell Iletisim Hizmetleri AS ADR	2,098,196	2,191,862
United Kingdom – 7.8%			
169,400	Aberdeen Asset Management PLC	1,133,603	1,404,156
484,300	Barclays PLC	2,151,600	1,881,956
231,100	BHP Billiton PLC	6,974,780	8,026,918
59,900	British American Tobacco PLC	3,099,033	3,802,506
72,800	Diageo PLC	2,046,517	2,472,220
93,200	Drax Group PLC	1,072,173	1,088,461
38,200	Rio Tinto PLC	2,399,135	2,198,865
9,594,400	Rolls-Royce Group PLC*	17,739	17,516
167,400	Royal Dutch Shell PLC	6,041,888	7,387,378
25,820	Wolseley PLC	1,232,587	1,508,181
		26,169,055	29,788,157
United States – 47.1%			
101,200	Pfizer Inc.	3,199,029	3,204,404
56,700	Apple Inc.	3,729,825	5,621,366
21,700	Banco de Chile	1,837,322	1,851,702
49,950	Chevron Corporation	6,211,760	6,954,760
108,100	Cisco Systems, Inc.	2,745,513	2,865,860
231,350	Citigroup Inc.	11,388,328	11,625,006
123,400	Coca-Cola Company, The	5,005,700	5,573,366
29,150	Colgate-Palmolive Company	1,557,877	2,119,528
24,000	ConocoPhillips	1,826,090	2,194,679
28,950	Danaher Corporation	1,819,374	2,430,980
30,600	Dominion Resources, Inc.	2,394,689	2,334,158
39,550	Dow Chemical Company, The	1,378,676	2,170,664
40,730	Edison International	2,031,063	2,525,039
29,750	Exxon Mobil Corporation	2,827,707	3,193,712
417,300	Frontier Communications Corporation	2,069,024	2,599,945
108,600	General Electric Company	2,627,813	3,044,795
26,700	Honeywell International Inc.	2,159,328	2,646,956
146,200	Intel Corporation	3,413,472	4,819,575
33,500	Johnson & Johnson	3,445,817	3,737,809
535,400	JPMorgan Chase & Co. Warrants Oct. 28, 2018	8,624,765	11,041,116
34,516	Kraft Foods Group Inc.	1,785,653	2,207,560
17,900	McDonald's Corporation	1,704,909	1,923,791
105,100	Merck & Co., Inc.	5,336,664	6,486,478
164,750	Microsoft Corporation	5,242,603	7,329,331
58,100	Mondelez International, Inc.	1,681,671	2,331,215
45,000	Morgan Stanley, Preferred, Series F	1,197,560	1,301,742
72,200	Newell Rubbermaid Inc.	1,690,239	2,387,051
15,600	Occidental Petroleum Corporation	1,499,663	1,707,472
39,700	Oracle Corporation	1,740,798	1,716,603
27,550	PepsiCo, Inc.	2,184,170	2,625,412
60,850	Philip Morris International Inc.	5,368,244	5,471,592
554,734	PNC Financial Services Group, Inc., The Warrants Dec. 31, 2018	8,111,630	15,310,311
86,300	Procter & Gamble Company, The	6,556,907	7,233,405
32,850	Schlumberger Limited	2,897,648	4,133,673
10,100	Sempra Energy	979,922	1,128,053
306,400	Spirit Realy Capital, Inc.	3,272,111	3,713,385
14,550	Stanley Black & Decker Inc.	1,149,871	1,362,966
31,300	Texas Instruments Incorporated	1,217,856	1,595,821
42,000	Thermo Fisher Scientific, Inc.	5,386,800	5,287,302
31,800	Union Pacific Corporation	3,276,871	3,384,098
20,700	United Parcel Service, Inc., Class B	1,840,335	2,267,120
50,400	Verizon Communications Inc.	2,663,549	2,629,582
442,610	Wells Fargo & Company Warrants Oct. 28, 2018	5,936,421	10,208,917
43,550	West Corporation	969,718	1,245,162
22,900	Western Digital Corporation	1,804,580	2,254,966
		145,789,565	179,798,428
		313,313,888	366,280,662
BOND AND DEBENTURE INSTRUMENTS – 0.7%			
	Credit Suisse Group AG		
1,600,000	7.50% due Dec. 11, 2023	1,733,638	1,895,193
	Macquarie Group Limited		
600,000	10.25% due Jun. 20, 2017	595,321	731,325
		2,328,959	2,626,518
	TOTAL INVESTMENT PORTFOLIO	315,642,847	368,907,180
	Currency Spot Contracts – 0.0%		(19,843)
	Currency Forward Contracts – 0.6%		2,286,683
	OTHER ASSETS, LESS LIABILITIES – 2.6%		9,909,011
	NET ASSETS – 100.0%		381,083,031

For equities, all common shares unless otherwise noted.

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

Scotia Global Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	3,171,424	European Euro	2,173,548	3,175,103	(3,678)
Jul. 2, 2014	Canadian Dollar	1,952,072	British Pound	1,075,581	1,963,671	(11,599)
Jul. 2, 2014	Canadian Dollar	1,480,317	U.S. Dollar	1,388,144	1,480,940	(623)
Jul. 2, 2014	Canadian Dollar	802,520	British Pound	440,220	803,702	(1,181)
Jul. 2, 2014	Canadian Dollar	783,453	Swiss Franc	652,303	784,697	(1,244)
Jul. 2, 2014	Canadian Dollar	197,310	U.S. Dollar	185,076	197,448	(139)
Jul. 2, 2014	Canadian Dollar	125,131	Swiss Franc	104,697	125,947	(816)
Jul. 2, 2014	Canadian Dollar	5,745	South African Rand	57,371	5,754	(9)
Jul. 2, 2014	Canadian Dollar	2,848	South African Rand	28,242	2,833	16
Jul. 2, 2014	Swiss Franc	1,093,063	Canadian Dollar	1,315,359	1,315,363	(447)
Jul. 2, 2014	U.S. Dollar	1,600,204	Canadian Dollar	1,707,257	1,707,255	(80)
Jul. 3, 2014	Canadian Dollar	134	South African Rand	1,339	134	(0)
Jul. 3, 2014	Swiss Franc	14,555	Canadian Dollar	17,536	17,536	(27)
Jul. 7, 2014	Canadian Dollar	5,889	South African Rand	58,866	5,904	(16)
						(19,843)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 22, 2014	Australian Dollar	620,000	Canadian Dollar	619,944	620,539	3,140
Jul. 22, 2014	Australian Dollar	163,000	Canadian Dollar	165,168	165,327	(1,359)
Jul. 22, 2014	Canadian Dollar	2,993,124	Australian Dollar	2,910,000	2,924,564	68,560
Jul. 22, 2014	Canadian Dollar	238,896	Australian Dollar	235,000	236,176	2,720
Jul. 22, 2014	Canadian Dollar	216,006	Australian Dollar	215,000	216,076	(71)
Jul. 22, 2014	Canadian Dollar	11,954,735	European Euro	7,842,000	11,463,069	491,666
Jul. 22, 2014	Canadian Dollar	10,559,803	European Euro	6,932,000	10,132,873	426,930
Jul. 22, 2014	Canadian Dollar	8,220,830	European Euro	5,393,000	7,883,235	337,595
Jul. 22, 2014	Canadian Dollar	3,861,943	European Euro	2,534,000	3,704,083	157,860
Jul. 22, 2014	Canadian Dollar	1,765,240	European Euro	1,181,000	1,726,331	38,910
Jul. 22, 2014	Canadian Dollar	1,675,501	European Euro	1,120,000	1,637,164	38,337
Jul. 22, 2014	Canadian Dollar	1,653,866	European Euro	1,085,000	1,586,002	67,863
Jul. 22, 2014	Canadian Dollar	1,600,945	European Euro	1,079,000	1,577,232	23,713
Jul. 22, 2014	Canadian Dollar	11,905,872	Swiss Franc	9,533,032	11,477,422	428,450
Jul. 22, 2014	Canadian Dollar	5,729,668	Swiss Franc	4,587,000	5,522,580	207,087
Jul. 22, 2014	Canadian Dollar	2,004,138	Swiss Franc	1,674,000	2,015,435	(11,297)
Jul. 22, 2014	Canadian Dollar	1,277,224	Swiss Franc	1,055,000	1,270,181	7,043
Jul. 22, 2014	Canadian Dollar	1,213,101	Swiss Franc	983,000	1,183,496	29,605
Jul. 22, 2014	Canadian Dollar	1,165,122	Swiss Franc	930,000	1,119,686	45,436
Jul. 22, 2014	European Euro	1,225,000	Canadian Dollar	1,866,288	1,864,975	(75,505)
						2,286,683

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

Scotia Global Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective aims to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$325,200,880	$91,575,263
Revaluation of Investments at FVTPL	71,492	31,738
Net assets attributable to holders of redeemable units	$325,272,372	$91,607,001

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$11,744,481
Revaluation of Investments at FVTPL	80,344
Increase (decrease) in net assets attributable to holders of redeemable units	$11,824,825

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	731,325	–	–
3-5 years	–	718,710	656,588
5-10 years	1,1895,193	1,775,185	–
> 10 years	–	–	–
Total	$ 2,626,518	$2,493,895	$656,588

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $186,319 or approximately 0.0% of total net assets attributable to holders of redeemable units (December 31, 2013 – $458,796 or approximately 0.1% net assets attributable to holders of redeemable units, January 1, 2013 – $67,217 or approximately 0.1% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	200,155,142	52.5	20,015,514	5.3
British Pound	27,061,554	7.1	2,706,155	0.7
Swiss Franc	26,747,903	7.0	2,674,790	0.7
Hong Kong Dollar	13,770,063	3.6	1,377,006	0.4
European Euro	11,025,175	2.9	1,102,518	0.3
Japanese Yen	4,476,970	1.2	447,697	0.1
Singapore Dollar	4,170,289	1.1	417,029	0.1
Swedish Krona	4,077,661	1.1	407,766	0.1
Thai Baht	4,038,512	1.1	403,851	0.1
Australian Dollar	2,686,755	0.7	268,676	0.1
Indonesian Rupiah	2,319,458	0.6	231,946	0.1
Brazilian Real	1,763,421	0.5	176,342	0.1
South African Rand	411,094	0.1	41,109	0.0
Polish Zloty	3	0.0	–	0.0
Total	302,704,000	79.5	30,270,399	8.1

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	154,164,527	47.4	15,416,453	4.7
British Pound	22,769,246	7.0	2,276,925	0.7
Swiss Franc	16,514,238	5.1	1,651,424	0.5
European Euro	14,228,771	4.4	1,422,877	0.4
Australian Dollar	5,794,318	1.8	579,432	0.2
Swedish Krona	4,942,763	1.5	494,276	0.2
Japanese Yen	4,665,225	1.4	466,523	0.1
Thai Baht	4,645,344	1.4	464,534	0.1
Singapore Dollar	3,663,266	1.1	366,327	0.1
Hong Kong Dollar	2,595,613	0.8	259,561	0.1
Indonesian Rupiah	2,136,555	0.7	213,656	0.1
Brazilian Real	1,228,377	0.4	122,838	0.0
South African Rand	755,448	0.2	75,545	0.0
Total	238,103,691	73.2	23,810,369	7.3

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	16,940,272	18.5	1,694,027	1.9
Swiss Franc	5,447,361	5.9	544,736	0.6
European Euro	3,747,849	4.1	374,785	0.4
Japanese Yen	2,485,922	2.7	248,592	0.3
British Pound	1,971,185	2.2	197,119	0.2
Thai Baht	1,801,405	2.0	180,141	0.2
Brazilian Real	1,182,829	1.3	118,283	0.1
Swedish Krona	1,150,381	1.3	115,038	0.1
Danish Krone	913,350	1.0	91,335	0.1
Australian Dollar	681,989	0.7	68,199	0.1
Hong Kong Dollar	340,306	0.4	34,031	0.0
Total	36,662,849	40.1	3,666,285	4.0

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 96.1% (December 31, 2013 – 90.5%, January 1, 2013 – 92.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $36,628,066 (December 31, 2013 – $29,442,891, January 1, 2013 – $8,452,400). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AA	33.1	0.3	32.4	0.4	64.4	1.3
BB	66.9	0.7	67.6	0.8	35.6	0.7
Total	100.0	1.0	100.0	1.2	100.0	2.0

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$10,174,227	$ –	$ 41,293	$ –	$ 23,926
Unrealized loss on currency spot contracts	–	19,859	–	–	–	55
Unrealized loss on currency forward contracts	–	88,232	–	2,266,650	–	961,785
Redeemable units	381,083,031	–	325,272,372	–	91,607,001	–
	$381,083,031	$10,282,318	$325,272,372	$2,307,943	$91,607,001	$985,766

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Equities			
Australia	1.3	1.8	4.0
Brazil	0.5	0.5	1.3
Canada	2.0	2.1	4.9
China	0.4	0.4	–
Denmark	–	–	1.0
France	6.7	6.2	1.6
Germany	3.6	4.8	2.4
Hong Kong	3.1	0.4	0.5
Indonesia	0.6	0.7	1.0
Ireland	0.2	–	–
Italy	1.1	1.0	0.5
Japan	1.2	1.4	2.7
Netherlands	2.9	3.3	3.8
Peru	0.5	0.6	0.5
Portugal	0.8	–	–
Puerto Rico	–	–	0.6
Russia	0.5	0.6	0.5
Singapore	1.1	1.1	–
South Africa	0.1	0.2	–
Sweden	1.1	1.5	1.2
Switzerland	11.8	9.9	9.1
Thailand	1.1	1.4	2.0
Turkey	0.6	0.5	–
United Kingdom	7.8	9.2	10.5
United States	47.1	42.9	44.3
Bond and debenture instruments	0.7	0.8	0.7
Currency spot contracts	0.0	0.0	0.0
Currency forward contracts	0.6	(0.7)	(0.9)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$164,850,274	$164,854,496	$ –	$329,704,770
Warrants	36,560,344	15,548	–	36,575,892
Bond and Debenture Instruments	–	2,626,518	–	2,626,518
Currency Spot Contracts–Assets	16	–	–	16
Currency Forward Contracts–Assets	–	2,374,915	–	2,374,915
	201,410,634	169,871,477	–	371,282,111
Currency Spot Contracts–Liabilities	(19,859)	–	–	(19,859)
Currency Forward Contracts–Liabilities	–	(88,232)	–	(88,232)
	$201,390,775	$169,783,245	$ –	$371,174,020

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$131,050,235	$134,162,278	$ –	$265,212,513
Warrants	–	29,284,426	–	29,284,426
Bond and Debenture Instruments	–	2,493,895	–	2,493,895
Currency Spot Contracts–Assets	193	–	–	193
Currency Forward Contracts–Assets	–	35,938	–	35,938
	131,050,428	165,976,537	–	297,026,965
Currency Forward Contracts–Liabilities	–	(2,266,650)	–	(2,266,650)
	$131,050,428	$163,709,887	$ –	$294,760,315

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 48,561,491	$ 35,991,726	$ –	$ 84,553,217
Bond and Debenture Instruments	–	656,588	–	656,588
Currency Spot Contracts–Assets	1	–	–	1
Currency Forward Contracts–Assets	–	183,329	–	183,329
	48,561,492	36,831,643	–	85,393,135
Currency Spot Contracts–Liabilities	(55)	–	–	(55)
Currency Forward Contracts–Liabilities	–	(961,785)	–	(961,785)
	(55)	(961,785)	–	(961,840)
	$ 48,561,437	$ 35,869,858	$ –	$ 84,431,295

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Growth Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$388,857,958	$354,158,389	$265,415,984
Unrealized gain on currency spot contracts	286	–	–
Cash	8,128,034	9,720,489	3,787,584
Accrued investment income	181,762	187,735	140,016
Receivable for securities sold	736,690	–	–
Subscriptions receivable	68,373	213,915	49,794
	397,973,103	364,280,528	269,393,378
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	87,245	–
Redemptions payable	132,955	115,689	60,393
Accrued expenses	241,122	–	–
Unrealized loss on currency spot contracts	36	726	114
	374,113	203,660	60,507
Net Assets attributable to holders of redeemable units	$397,598,990	$364,076,868	$269,332,871
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$111,401,993	$104,339,381	$ 71,863,672
Advisor Series Units	$ 625,409	$ 472,063	$ 30,518
Series F Units	$ 7,982	$ 6,684	$ 4,950
Series I Units	$285,563,606	$259,258,740	$197,433,731
UNITS OUTSTANDING			
Series A Units	2,477,585	2,440,202	2,271,513
Advisor Series Units	14,051	11,137	970
Series F Units	168	149	153
Series I Units	5,894,577	5,693,672	5,933,463
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 44.96	$ 42.76	$ 31.64
Advisor Series Units	$ 44.51	$ 42.39	$ 31.46
Series F Units	$ 47.38	$ 44.77	$ 32.45
Series I Units	$ 48.45	$ 45.53	$ 33.27

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 3,958,750	$ 3,325,237
Interest for distribution purposes	44,698	57,041
Net realized gain (loss) on non-derivative financial assets	10,716,981	8,348,054
Net gain (loss) foreign exchange	(22,027)	(13,085)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	9,187,267	31,329,033
Change in unrealized appreciation (depreciation) of currency spots	975	(8,689)
Net gain (loss) on investments	23,886,644	43,037,591
Securities lending	189,843	163,567
Other income	2,125	517
Total income (loss)	24,078,612	43,201,675
EXPENSES		
Management fees (note 5)	1,102,122	762,833
Harmonized Sales Tax/Goods and Services Tax	128,441	97,134
Audit fees	4,208	3,444
Independent Review Committee fees	574	501
Custodian fees	26,371	31,752
Filing fees	12,319	15,242
Legal fees	1,225	1,229
Unitholder reporting costs	15,577	14,007
Unitholder administration and service fees	91,192	92,733
Overdraft charges	7	–
Foreign withholding taxes/tax reclaims	613,059	513,208
Transaction costs	40,252	42,571
Total expenses	2,035,347	1,574,654
Absorbed expenses	(5,277)	(8,021)
Net expenses	2,030,070	1,566,633
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$22,048,542	$41,635,042
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 5,416,803	$10,387,492
Advisor Series Units	$ 25,876	$ 4,407
Series F Units	$ 370	$ 764
Series I Units	$16,605,493	$31,242,379
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 2.18	$ 4.64
Advisor Series Units	$ 1.94	$ 4.54
Series F Units	$ 2.28	$ 5.03
Series I Units	$ 2.86	$ 5.38
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	2,479,292	2,239,815
Advisor Series Units	13,360	970
Series F Units	162	152
Series I Units	5,814,590	5,809,941

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Global Growth Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$104,339,381	$ 71,863,672
Advisor Series Units	472,063	30,518
Series F Units	6,684	4,950
Series I Units	259,258,740	197,433,731
	364,076,868	269,332,871
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	5,416,803	10,387,492
Advisor Series Units	25,876	4,407
Series F Units	370	764
Series I Units	16,605,493	31,242,379
	22,048,542	41,635,042
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	11,020,544	5,156,910
Advisor Series Units	157,199	–
Series F Units	1,000	–
Series I Units	29,037,674	–
Payments on redemption		
Series A Units	(9,374,735)	(6,957,726)
Advisor Series Units	(29,729)	–
Series F Units	(72)	(124)
Series I Units	(19,338,301)	(6,600,118)
	11,473,580	(8,401,058)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	7,062,612	8,586,676
Advisor Series Units	153,346	4,407
Series F Units	1,298	640
Series I Units	26,304,866	24,642,261
	33,522,122	33,233,984
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	111,401,993	80,450,348
Advisor Series Units	625,409	34,925
Series F Units	7,982	5,590
Series I Units	285,563,606	222,075,992
	$397,598,990	$302,566,855

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 22,048,542	$ 41,635,042
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(10,716,981)	(8,348,054)
Net realized gain (loss) foreign exchange on cash	22,027	13,085
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(9,187,267)	(31,329,033)
Change in unrealized appreciation (depreciation) of currency spot contracts	(975)	8,689
Purchases of non-derivative financial assets	(53,189,307)	(26,094,196)
Proceeds from sale of non-derivative financial assets	37,529,798	32,879,527
Transaction costs	40,252	42,571
Accrued investment income	5,973	(180,116)
Accrued expenses	241,122	162,045
Net cash provided by (used in) operating activities	(13,206,816)	8,789,560
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	40,361,959	5,167,070
Amounts paid on redemption of redeemable units	(28,725,571)	(13,535,716)
Net cash provided by (used in) financing activities	11,636,388	(8,368,646)
Net gain (loss) foreign exchange on cash	(22,027)	(13,085)
Net increase (decrease) in cash	(1,570,428)	420,914
Cash at beginning of period	9,720,489	3,787,584
CASH AT END OF PERIOD	$ 8,128,034	$ 4,195,413
Interest received(1)	43,777	59,511
Dividends received, net of withholding taxes(1)	3,352,584	2,629,443

(1) Classified as operating items.

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

Scotia Global Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.8%			
CANADIAN EQUITIES – 1.6%			
Industrials – 0.5%			
74,928	Ritchie Bros. Auctioneers Incorporated	1,675,542	1,970,443
Financials – 1.1%			
8,892	Fairfax Financial Holdings Limited	3,336,983	4,494,191
	TOTAL CANADIAN EQUITIES	5,012,525	6,464,634
FOREIGN EQUITIES – 96.2%			
UNITED STATES – 47.2%			
Energy – 3.2%			
56,306	EOG Resources, Inc.	2,704,248	7,017,676
182,230	Ultra Petroleum Corp.	4,077,851	5,769,172
		6,782,099	12,786,848
Materials – 1.4%			
15,755	Martin Marietta Materials Inc.	1,859,278	2,219,271
23,651	Praxair, Inc.	2,020,918	3,351,193
		3,880,196	5,570,464
Industrials – 2.6%			
24,617	Deere & Company	1,876,603	2,377,686
51,029	Lincoln Electric Holdings, Inc.	3,185,755	3,804,283
17,204	NOW Inc.	643,857	664,876
13,908	Telsa Motors Inc.	513,561	3,561,946
		6,219,776	10,408,791
Consumer Discretionary – 8.7%			
17,287	Amazon.com, Inc.	2,312,624	5,989,792
82,999	CarMax, Inc.	2,508,494	4,605,349
91,126	Harley-Davidson, Inc.	4,786,920	6,790,653
187,294	Royal Caribbean Cruises Ltd.	7,178,124	11,106,682
20,900	TripAdvisor Inc.	643,027	2,422,807
40,058	Walt Disney Company, The	1,455,947	3,664,170
		18,885,136	34,579,453
Consumer Staples – 1.4%			
119,060	Arcos Dorados Holdings, Inc.	1,972,810	1,427,694
56,124	Colgate-Palmolive Company	4,012,877	4,080,836
		5,985,687	5,508,530
Health Care – 5.9%			
2,152	Intuitive Surgical, Inc.	712,786	945,435
101,257	Mindray Medical International Limited ADR	3,027,722	3,400,655
111,221	Myriad Genetics, Inc.	4,077,935	4,618,091
80,000	Qiagen N.V.	1,273,558	2,086,756
54,100	Seattle Genetics, Inc.	1,199,273	2,207,657
33,702	Waters Corporation	2,375,143	3,754,414
55,455	WellPoint Inc.	5,112,298	6,365,546
		17,778,715	23,378,554
Financials – 10.8%			
38,696	American Express Company	3,811,701	3,915,878
2,461	Berkshire Hathaway Inc., Class B	292,634	332,285
108,561	First Republic Bank	4,376,965	6,368,841
12,700	Howard Hughes Corporation	1,989,165	2,137,351
45,333	M&T Bank Corporation	5,452,168	6,000,212
8,603	Markel Corporation	3,655,639	6,008,856
76,786	Moody's Corporation	4,469,272	7,179,795
231,690	New York Community Bancorp, Inc.	3,182,543	3,949,907
206,096	TD Ameritrade Holding Corporation	4,938,427	6,893,027
		32,168,514	42,786,152
Information Technology – 13.2%			
27,100	Baidu, Inc.	2,417,958	5,400,976
94,799	Dolby Laboratories Inc., Class A	3,439,781	4,367,061
124,651	eBay Inc.	4,475,585	6,657,167
27,578	Facebook Inc.	829,446	1,979,776
130,063	FLIR Systems, Inc.	3,864,823	4,819,050

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
UNITED STATES (cont'd)			
Information Technology (cont'd)			
6,146	Google Inc. Class A	3,211,631	3,833,595
6,146	Google Inc. Class C	–	3,772,026
53,402	MasterCard, Inc., Class A	1,611,202	4,185,722
45,000	QUALCOMM, Inc.	3,182,933	3,802,249
26,608	Teradata Corporation	1,741,841	1,141,145
173,326	Teradyne, Inc.	3,138,496	3,624,287
22,301	Twitter, Inc.	606,525	973,798
17,982	Visa Inc.	2,698,518	4,042,276
77,377	Xilinx, Inc.	2,856,459	3,905,419
		34,075,198	52,504,547
	TOTAL UNITED STATES	125,775,321	187,523,339
Australia – 1.0%			
371,493	Brambles Limited	3,031,779	3,436,773
74,298	Recall Holdings Ltd.	299,775	357,431
		3,331,554	3,794,204
Brazil – 0.6%			
411,700	BM&F BOVESPA SA	2,751,142	2,303,687
Denmark – 1.6%			
35,496	Carlsberg AS, Series B	2,631,681	4,078,543
35,592	Jyske Bank AS	1,355,647	2,155,371
		3,987,328	6,233,914
Germany – 1.6%			
33,727	Deutsche Boerse AG	2,663,925	2,792,337
44,956	SAP AG	3,990,826	3,704,321
		6,654,751	6,496,658
Hong Kong – 2.6%			
381,200	AIA Group Ltd.	2,060,378	2,046,516
212,500	China Mobile Limited	3,102,524	2,200,903
918,000	China Resources Enterprises Ltd.	2,990,325	2,718,869
1,572,000	Shandong Weigao Group Medical Polymer Company Limited	1,862,548	1,638,968
230,000	Tsingtao Brewery Company Ltd.	1,257,306	1,919,353
		11,273,081	10,524,609
India – 1.0%			
71,900	ICICI Bank Limited ADR	2,915,539	3,827,651
Indonesia – 0.2%			
2,261,282	PT Bank Negara Indonesia (Persero) Tbk	875,520	969,554
Ireland – 2.7%			
153,802	Dragon Oil PLC	1,060,973	1,722,692
5,026,987	Governor and Company of the Bank of Ireland, The	1,871,299	1,810,231
119,469	Ryanair Holding PLC ADR	4,351,565	7,112,009
		7,283,837	10,644,932
Japan – 7.0%			
421,600	Inpex Corporation	6,198,693	6,849,929
128,600	NAMCO BANDAI Holdings Inc.	1,390,330	3,218,865
78,300	Olympus Corporation	1,819,923	2,884,853
67,900	Osaka Securities Exchange Co., Ltd.	1,539,645	1,789,308
36,700	ROHM Company Limited	2,306,985	2,249,952
12,900	SMC Corporation	2,750,737	3,690,498
128,900	THK Co., Ltd.	2,901,396	3,249,223
60,700	Tokyo Electron Limited	3,216,136	4,390,033
		22,123,845	28,322,661
Norway – 1.0%			
297,502	Norsk Hydro ASA	2,490,298	1,696,676
38,818	Schibsted ASA	1,345,747	2,153,871
		3,836,045	3,850,547

For equities, all common shares unless otherwise noted.

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

Scotia Global Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Russia – 0.3%			
102,739	Sberbank of Russia	1,325,666	1,114,703
Singapore – 0.7%			
43,600	Jardine Matheson Holdings Limited	2,242,245	2,759,441
South Africa – 3.0%			
95,405	Naspers Limited N Shares	3,787,691	11,978,827
South Korea – 2.4%			
47,210	Hynix Semiconductor Inc.	1,904,352	2,415,450
10,250	Samsung Electronics Co., Ltd. GDR	4,286,456	7,065,184
		6,190,808	9,480,634
Spain – 0.9%			
368,818	Distribuidora Internacional de Alimentacion SA	3,413,868	3,618,420
Sweden – 4.2%			
159,027	Atlas Copco AB, Class B	2,808,156	4,525,054
100,937	Investor AB, Class B	2,564,008	4,034,190
102,789	Svenska Handelsbanken AB	3,233,101	5,359,062
180,397	Volvo AB, Class B	2,607,052	2,646,724
		11,212,317	16,565,030
Switzerland – 6.0%			
31,508	Compagnie Financiere Richemont SA , Class A	1,126,311	3,527,812
85,274	Nestle SA	4,264,179	7,048,572
27,526	Roche Holdings AG	4,747,947	8,762,388
28,246	Schindler Holdings AG	2,210,827	4,577,995
		12,349,264	23,916,767
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Taiwan – 2.1%			
365,496	Taiwan Semiconductor Manufacturing Company Ltd. ADR	5,619,938	8,340,580
United Kingdom – 10.1%			
44,904	Aggreko PLC	511,720	1,351,745
54,945	British American Tobacco PLC	2,195,185	3,487,958
114,060	Bunzl PLC	1,511,388	3,374,515
20,510	Coca-Cola HBC AG	491,990	502,087
122,739	CRH PLC	3,613,289	3,358,750
990,056	Hays Plc.	1,324,807	2,636,596
549,670	Prudential PLC	6,519,323	13,450,751
268,585	Rolls-Royce Group PLC	2,757,034	5,233,033
35,990,390	Rolls-Royce Group PLC, Class C*	66,469	65,707
98,140	Tullow Oil PLC	1,605,256	1,527,579
87,970	Wolseley PLC	3,965,799	5,138,445
		24,562,260	40,127,166
	TOTAL FOREIGN EQUITIES	135,736,699	194,869,985
	TOTAL INVESTMENT PORTFOLIO	266,524,545	388,857,958
	Currency Spot Contracts – 0.0%		250
	OTHER ASSETS, LESS LIABILITIES – 2.2%		8,740,782
	NET ASSETS – 100.0%		397,598,990

* This security is not actively traded and is considered illiquid.

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	244,028	U.S. Dollar	228,470	243,743	286
Jul. 2, 2014	Canadian Dollar	28,177	Japanese Yen	2,679,030	28,213	(36)
						250

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Global Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$364,016,403	$269,397,944
Revaluation of Investments at FVTPL	60,465	(65,073)
Net assets attributable to holders of redeemable units	$364,076,868	$269,332,871

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$41,418,818
Revaluation of Investments at FVTPL	216,224
Increase (decrease) in net assets attributable to holders of redeemable units	$41,635,042

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	223,963,801	56.3	22,396,380	5.6
British Pound	41,849,858	10.5	4,184,986	1.1
Japanese Yen	28,332,518	7.1	2,833,252	0.7
Swiss Franc	23,916,768	6.0	2,391,677	0.6
Swedish Krona	16,565,032	4.2	1,656,503	0.4
South African Rand	11,978,827	3.0	1,197,883	0.3
European Euro	11,925,303	3.0	1,192,530	0.3
Hong Kong Dollar	10,524,609	2.6	1,052,461	0.3
Danish Krone	6,233,914	1.6	623,391	0.2
Norwegian Krone	3,850,547	1.0	385,055	0.1
Australian Dollar	3,794,204	1.0	379,420	0.1
South Korean Won	2,415,450	0.6	241,545	0.1
Brazilian Real	2,303,687	0.6	230,369	0.1
Indonesian Rupiah	969,554	0.2	96,955	0.0
Total	388,624,072	97.7	38,862,407	9.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	202,658,678	55.7	20,265,868	5.6
British Pound	40,936,264	11.2	4,093,626	1.1
Japanese Yen	26,080,742	7.2	2,608,074	0.7
Swiss Franc	21,881,229	6.0	2,188,123	0.6
Swedish Krona	17,803,547	4.9	1,780,355	0.5
South African Rand	9,730,947	2.7	973,095	0.3
Hong Kong Dollar	9,674,106	2.7	967,411	0.3
European Euro	7,834,318	2.2	783,432	0.2
Danish Krone	6,009,346	1.7	600,935	0.2
Norwegian Krone	4,144,201	1.1	414,420	0.1
Australian Dollar	3,509,155	1.0	350,916	0.1
Brazilian Real	2,050,446	0.6	205,045	0.1
Turkish Lira	1,149,050	0.3	114,905	0.0
Indonesian Rupiah	784,330	0.2	78,433	0.0
Total	354,246,359	97.5	35,424,638	9.8

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	138,727,807	51.5	13,872,781	5.2
British Pound	31,045,614	11.5	3,104,561	1.2
Swiss Franc	21,286,971	7.9	2,128,697	0.8
Swedish Krona	15,181,749	5.6	1,518,175	0.6
Japanese Yen	11,750,638	4.4	1,175,064	0.4
South African Rand	9,066,028	3.4	906,603	0.3
European Euro	7,418,419	2.8	741,842	0.3
Hong Kong Dollar	6,724,806	2.5	672,481	0.3
Brazilian Real	4,640,880	1.7	464,088	0.2
Danish Krone	4,580,229	1.7	458,023	0.2
Australian Dollar	4,127,216	1.5	412,722	0.2
Turkish Lira	4,005,426	1.5	400,543	0.2
Norwegian Krone	3,150,530	1.2	315,053	0.1
Singapore Dollar	2,572,781	1.0	257,278	0.1
Indonesian Rupiah	865,843	0.3	86,584	0.0
Total	265,144,937	98.5	26,514,495	10.1

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.8% (December 31, 2013 – 97.3%, January 1, 2013 – 98.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $38,885,796 (December 31, 2013 – $35,409,792, January 1, 2013 – $26,548,106). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$374,077	$ –	$202,934	$ –	$60,393
Unrealized loss on currency forward contracts	–	36	–	726	–	114
Redeemable units	397,598,990	–	364,076,868	–	269,332,871	–
	$397,598,990	$374,113	$364,076,868	$203,660	$269,332,871	$60,507

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities	1.6	1.5	2.6
Foreign Equities			
United States	47.2	48.4	39.6
Australia	1.0	1.0	1.5
Brazil	0.6	0.6	3.5
Denmark	1.6	1.7	1.7
Germany	1.6	0.8	0.8
Greece	–	–	1.6
Hong Kong	2.6	2.6	2.5
India	1.0	0.7	–
Indonesia	0.2	0.2	0.3
Ireland	2.7	2.8	1.9
Japan	7.0	7.1	4.4
Mexico	–	–	0.9
Netherlands	–	–	1.1
Norway	1.0	1.1	1.2
Russia	0.3	0.4	–
Singapore	0.7	0.7	2.1
South Africa	3.0	2.7	3.4
South Korea	2.4	1.3	1.9
Spain	0.9	0.5	–
Sweden	4.2	4.9	5.6
Switzerland	6.0	6	7.9
Taiwan	2.1	1.2	1.5
Turkey	–	0.3	1.5
United Kingdom	10.1	10.8	11
Currency Spot Contracts	0.0	0.0	0.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$216,686,599	$172,171,359	$ –	$388,857,958
Currency Spot Contracts – Assets	286	–	–	286
	216,686,885	172,171,359	–	388,858,244
Currency Spot Contracts – Liabilities	(36)	–	–	(36)
	$216,686,849	$172,171,359	$ –	$388,858,208

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$197,917,788	$156,240,601	$ –	$354,158,389
Currency Spot Contracts – Liabilities	(726)	–	–	(726)
	$195,819,062	$156,240,601	$ –	$354,157,663

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$135,676,088	$129,739,896	$ –	$265,415,984
Currency Spot Contracts – Liabilities	(114)	–	–	(114)
	$135,675,974	$129,739,896	$ 0	$265,415,870

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Small Cap Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$60,930,792	$59,764,187	$48,070,583
Unrealized gain on currency forward contracts	34,777	57,881	–
Cash	251,078	212,937	1,895,700
Accrued investment income	18,405	12	11,735
Receivable for securities sold	1,039,856	–	–
Subscriptions receivable	1,855	14,699	489
	62,276,763	60,049,716	49,978,507
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,147,596	–	–
Redemptions payable	1,040	–	1,288
Accrued expenses	9,767	–	–
Unrealized loss on currency spot contracts	1,271	–	–
Unrealized loss on currency forward contracts	–	–	155,201
	1,159,674	–	156,489
Net Assets attributable to holders of redeemable units	$61,117,089	$60,049,716	$49,822,018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 3,285,450	$ 2,932,797	$ 2,206,259
Series I Units	$57,831,639	$57,116,919	$47,615,759
UNITS OUTSTANDING			
Series A Units	404,352	374,421	375,793
Series I Units	6,544,794	6,791,362	7,681,208
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 8.13	$ 7.83	$ 5.87
Series I Units	$ 8.84	$ 8.41	$ 6.20

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 480,378	$ 337,152
Interest for distribution purposes	1,498	1,052
Net realized gain (loss) on non-derivative financial assets	4,003,138	2,078,065
Net realized gain (loss) on currency forwards	(4,934)	(685,354)
Net gain (loss) foreign exchange	(1,962)	46,426
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(1,164,715)	4,496,962
Change in unrealized appreciation (depreciation) of currency spots	(1,271)	–
Change in unrealized appreciation (depreciation) of currency forwards	(23,104)	155,201
Net gain (loss) on investments	3,289,028	6,429,504
Securities lending	8,260	2,034
Other income	1,618	91
Total income (loss)	3,298,906	6,431,629
EXPENSES		
Management fees (note 5)	38,831	26,625
Harmonized Sales Tax/Goods and Services Tax	5,504	4,410
Audit fees	493	638
Independent Review Committee fees	89	89
Custodian fees	5,434	5,043
Filing fees	10,485	7,668
Legal fees	189	225
Unitholder reporting costs	4,405	4,156
Unitholder administration and service fees	6,761	5,969
Overdraft charges	10,416	6,053
Foreign withholding taxes/tax reclaims	50,861	34,089
Transaction costs	60,480	70,534
Total expenses	193,948	165,499
Absorbed expenses	(8,234)	(9,217)
Net expenses	185,714	156,282
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 3,113,192	$6,275,347
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 97,429	$ 248,241
Series I Units	$ 3,015,763	$6,027,106
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.24	$ 0.68
Series I Units	$ 0.47	$ 0.82
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	410,918	366,951
Series I Units	6,479,524	7,394,495

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Global Small Cap Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 2,932,797	$ 2,206,259
Series I Units	57,116,919	47,615,759
	60,049,716	49,822,018
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	97,429	248,241
Series I Units	3,015,763	6,027,106
	3,113,192	6,275,347
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	1,034,685	211,284
Series I Units	29,310,814	–
Payments on redemption		
Series A Units	(779,461)	(291,561)
Series I Units	(31,611,857)	(2,583,495)
	(2,045,819)	(2,663,772)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	352,653	167,964
Series I Units	714,720	3,443,611
	1,067,373	3,611,575
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	3,285,450	2,374,223
Series I Units	57,831,639	51,059,370
	$ 61,117,089	$53,433,593

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 3,113,192	$ 6,275,347
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(4,003,138)	(2,078,065)
Net realized gain (loss) foreign exchange on cash	1,962	(46,426)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	1,164,715	(4,496,962)
Change in unrealized appreciation (depreciation) of forward currency contracts	23,104	(155,201)
Change in unrealized appreciation (depreciation) of currency spot contracts	1,271	–
Purchases of non-derivative financial assets	(25,758,691)	(29,455,313)
Proceeds from sale of non-derivative financial assets	27,477,769	31,549,107
Transaction costs	60,480	70,534
Accrued investment income	(18,393)	(10,894)
Accrued expenses	9,767	7,620
Net cash provided by (used in) operating activities	2,072,038	1,659,747
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,358,343	211,171
Amounts paid on redemption of redeemable units	(32,390,278)	(2,845,031)
Net cash provided by (used in) financing activities	(2,031,935)	(2,633,860)
Net gain (loss) foreign exchange on cash	(1,962)	46,426
Net increase (decrease) in cash	40,103	(974,113)
Cash at beginning of period	212,937	1,895,699
CASH AT END OF PERIOD	$ 251,078	$ 968,012
Interest received(1)	1,482	1,254
Dividends received, net of withholding taxes(1)	411,140	291,967

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
CANADIAN EQUITIES – 0.7%			
Industrials – 0.7%			
107,700	Baylin Technologies Inc.	861,600	421,646
FOREIGN EQUITIES – 99.0%			
United States – 66.4%			
Industrials – 7.3%			
13,200	Acuity Brands Inc.	1,586,242	1,947,385
23,300	Jacobs Engineering Group, Inc.	1,199,672	1,324,412
8,700	Rockwell Automation, Inc.	1,213,506	1,161,450
		3,999,420	4,433,247
Consumer Discretionary – 13.3%			
22,300	AMC Networks Inc, Class A	1,029,554	1,462,892
26,900	Expedia, Inc.	1,730,541	2,260,273
20,100	IAC/InterActive Corporation	870,778	1,484,545
42,200	Kate Spade & Company	1,624,974	1,717,102
45,400	Live Nation Entertainment Inc.	517,895	1,195,858
		5,773,742	8,120,670
Consumer Staples – 3.7%			
38,300	Diamond Foods Inc.	982,707	1,152,261
20,200	Post Holdings Inc.	1,223,173	1,097,450
		2,205,880	2,249,711
Health Care – 6.4%			
19,400	BioMarin Pharmaceutical Inc.	1,371,517	1,287,552
27,100	PerkinElmer, Inc.	1,083,857	1,354,218
14,300	Varian Medical Systems, Inc.	1,264,802	1,268,379
		3,720,176	3,910,149
Financials – 9.1%			
55,100	Interactive Brokers Group Inc., Class A	1,352,042	1,369,065
146,200	Janus Capital Group Inc.	1,291,681	1,946,547
41,200	Lazard Ltd.	1,578,905	2,266,277
		4,222,628	5,581,889
Information Technology – 17.6%			
14,400	3D Systems Corporation	900,328	918,685
33,300	NCR Corporation	1,160,283	1,246,610
26,900	Paychex, Inc.	950,061	1,192,698
65,800	QLIK Technologies Inc.	1,732,600	1,587,893
21,200	Tableau Software Inc.	2,023,280	1,613,624
12,800	The Ultimate Software Group, Inc.	1,734,400	1,886,803
15,300	Zillow Inc., Class A	1,274,346	2,333,016
		9,775,298	10,779,329
Telecommunication Services – 9.0%			
67,265	Level 3 Communications, Inc.	1,540,418	3,152,126
27,400	Heartland Payment Systems, Inc.	859,467	1,204,198
18,300	Jarden Corporation	1,148,831	1,158,710
		3,548,716	5,515,034
	TOTAL UNITED STATES EQUITIES	33,245,860	40,590,029
Japan – 3.9%			
114,000	Daiwa Securities Group Inc.	1,069,114	1,055,390
47,400	Stanley Electric Co., Ltd.	1,171,167	1,321,100
		2,240,281	2,376,490
Netherlands – 5.5%			
30,600	Sensata Technologies Holding NV	1,143,235	1,527,160
189,900	TNT Express NV	1,943,829	1,831,425
		3,087,064	3,358,585
Norway – 1.8%			
114,000	Orkla ASA	996,246	1,082,668

For equities, all common shares unless otherwise noted.

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

Scotia Global Small Cap Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Spain – 8.9%			
87,000	Almirall SA	1,270,674	1,508,272
19,400	Amadeus Global Travel Distribution SA	529,191	852,669
112,100	Gestevision Telecinco SA	1,262,560	1,392,427
26,700	Viscofan, SA	1,199,957	1,697,036
		4,262,382	5,450,404
United Kingdom – 12.5%			
17,800	ASOS PLC	1,383,892	959,730
31,600	Burberry Group PLC	890,010	854,690
32,500	InterContinental Hotels Group	986,063	1,434,524
457,100	ITV PLC	1,259,880	1,484,975
239,900	Kingfisher PLC	1,073,743	1,570,624
197,400	Standard Life PLC	1,168,296	1,346,427
		6,761,884	7,650,970
	TOTAL FOREIGN EQUITIES	50,593,717	60,509,146
	TOTAL INVESTMENT PORTFOLIO	51,455,317	60,930,792
	Currency Spot Contracts – 0.0%		(1,271)
	Currency Forward Contracts – 0.1%		34,777
	OTHER ASSETS, LESS LIABILITIES – 0.2%		152,791
	NET ASSETS – 100.0%		61,117,089

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	936,358	Mexican Peso	11,404,557	937,629	(1,271)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	1,855,092	Japanese Yen	172,800,000	1,820,670	34,422
Jul. 17, 2014	Canadian Dollar	497,668	Japanese Yen	47,200,000	497,313	355
						34,777

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia Global Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$60,023,810	$49,737,093
Revaluation of Investments at FVTPL	25,906	84,925
Net assets attributable to holders of redeemable units	$60,049,716	$49,822,018

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$6,332,386
Revaluation of Investments at FVTPL	(57,039)
Increase (decrease) in net assets attributable to holders of redeemable units	$6,275,347

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	42,117,191	68.9	4,211,719	6.9
British Pound	7,650,970	12.5	765,097	1.3
European Euro	7,531,196	12.3	753,120	1.2
Norwegian Krone	1,082,668	1.8	108,267	0.2
Japanese Yen	63,515	0.1	6,352	0.0
Mexican Peso	(937,629)	(1.5)	(93,763)	(0.2)
Total	57,507,911	94.1	5,750,792	9.4

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	36,558,938	60.9	3,655,894	6.1
European Euro	9,752,906	16.2	975,291	1.6
British Pound	7,203,260	12.0	720,326	1.2
Singapore Dollar	1,302,435	2.2	130,244	0.2
Mexican Peso	1,148,920	1.9	114,892	0.2
Norwegian Krone	1,051,105	1.8	105,111	0.2
Japanese Yen	100,036	0.2	10,004	0.0
Total	57,117,600	95.2	5,711,762	9.5

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
European Euro	7,275,056	14.6	727,506	1.5
US Dollar	2,338,717	4.7	233,872	0.5
South African Rand	1,849,875	3.7	184,988	0.4
British Pound	1,294,244	2.6	129,424	0.3
Swiss Franc	1,248,335	2.5	124,834	0.3
Singapore Dollar	1,149,892	2.3	114,989	0.2
Mexican Peso	1,077,905	2.2	107,791	0.2
Total	16,234,024	32.6	1,623,402	3.3

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.7% (December 31, 2013 – 99.6%, January 1, 2013 – 96.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $6,093,079 (December 31, 2013 – $5,973,828, January 1, 2013 – $4,798,566). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,158,403	$ –	$ –	$ –	$ 1,288
Unrealized loss on currency forward contracts	–	–	–	–	–	155,201
Unrealized loss on currency spot contracts	–	1,271	–	–	–	–
Redeemable units	61,117,089	–	60,049,716	–	49,822,018	–
	$61,117,089	$1,159,674	$60,049,716	$ –	$49,822,018	$156,489

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Canadian Equities	0.7	2.3	6.3
Foreign Equities			
United States	66.4	58.5	57.2
Austria	–	1.8	2.7
India	–	–	2.3
Italy	–	–	3.0
Japan	3.9	2.3	–
Mexico	–	1.9	2.2
Netherlands	5.5	4.9	2.8
Norway	1.8	1.8	–
Singapore	–	2.2	2.3
South Africa	–	–	3.7
Spain	8.9	11.9	8.9
Switzerland	–	–	2.5
United Kingdom	12.5	12.0	2.6
Currency Forward Contacts	0.1	0.1	(0.3)
Currency Spot Contracts	0.0	–	–

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$42,538,833	$18,391,959	$ –	$60,930,792
Currency Forward Contracts–Assets	–	34,777	–	34,777
	42,538,833	18,426,736	–	60,965,569
Currency Spot Contracts–Liabilities	(1,271)	–	–	(1,271)
	$42,537,562	$18,426,736	$ –	$60,964,298

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$39,103,002	$20,661,185	$ –	$59,764,187
Currency Forward Contracts–Liabilities	–	57,881	–	57,881
	$39,103,002	$20,719,066	$ –	$59,822,068

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$34,117,721	$13,952,862	$ –	$48,070,583
Currency Forward Contracts–Liabilities	–	(155,201)	–	(155,201)
	$34,117,721	$13,797,661	$ –	$47,915,382

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Opportunities Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$88,050,613	$83,366,825	$63,543,904
Unrealized gain on currency forward contracts	–	–	23,163
Cash	1,867,170	1,263,181	4,646,550
Accrued investment income	18,641	63,749	28,142
Receivable for securities sold	809,913	–	–
Subscriptions receivable	11,394	9,720	13,781
	90,757,731	84,703,475	68,255,540
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,475,450	–	–
Redemptions payable	2,702	695	2,616
Accrued expenses	25,826	–	–
Unrealized loss on currency spot contracts	929	–	–
Unrealized loss on currency forward contracts	–	–	189,532
	1,504,907	695	192,148
Net Assets attributable to holders of redeemable units	$89,252,824	$84,702,780	$68,063,392
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$ 8,908,132	$ 8,234,942	$ 6,470,175
Advisor Series Units	$ 262,917	$ 215,438	$ 166,441
Series F Units	$ 2,377	$ –	$ –
Series I Units	$80,079,398	$76,252,400	$61,426,776
UNITS OUTSTANDING			
Series A Units	845,606	787,715	800,529
Advisor Series Units	25,710	21,233	21,233
Series F Units	225	–	–
Series I Units	7,152,533	6,955,312	7,344,238
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.53	$ 10.45	$ 8.08
Advisor Series Units	$ 10.23	$ 10.15	$ 7.84
Series F Units	$ 10.54	$ –	$ –
Series I Units	$ 11.20	$ 10.96	$ 8.36

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 751,960	$1,093,625
Interest for distribution purposes	4,583	(26,033)
Net realized gain (loss) on non-derivative financial assets	8,619,670	4,352,540
Net realized gain (loss) on currency forwards	–	(729,157)
Net gain (loss) foreign exchange	(135,682)	230,073
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(6,934,568)	3,552,526
Change in unrealized appreciation (depreciation) of currency spots	(929)	–
Change in unrealized appreciation (depreciation) of currency forwards	–	(689,576)
Net gain (loss) on investments	2,305,034	7,783,998
Securities lending	5,108	3,995
Other income	172	28
Total income (loss)	2,310,314	7,788,021
EXPENSES		
Management fees (note 5)	100,288	74,998
Harmonized Sales Tax/Goods and Services Tax	13,129	10,762
Audit fees	892	880
Independent Review Committee fees	129	123
Custodian fees	9,890	9,687
Filing fees	14,072	13,360
Legal fees	275	308
Unitholder reporting costs	4,768	4,632
Unitholder administration and service fees	10,708	9,332
Overdraft charges	475	185
Foreign withholding taxes/tax reclaims	140,930	145,661
Transaction costs	240,634	158,380
Total expenses	536,190	428,308
Absorbed expenses	(6,589)	(6,919)
Net expenses	529,601	421,389
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 1,780,713	$7,366,632
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 52,209	$ 612,450
Advisor Series Units	$ 2,382	$ 15,938
Series F Units**	$ 34	$ –
Series I Units	$ 1,726,088	$6,738,244
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.06	$ 0.78
Advisor Series Units	$ 0.10	$ 0.75
Series F Units**	$ 0.15	$ –
Series I Units	$ 0.25	$ 0.93
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	845,891	788,188
Advisor Series Units	24,759	21,233
Series F Units**	225	–
Series I Units	7,014,584	7,230,227

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

** Start date May 27, 2014.

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

Scotia Global Opportunities Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 8,234,942	$ 6,470,175
Advisor Series Units	215,438	166,441
Series F Units*	–	–
Series I Units	76,252,400	61,426,776
	84,702,780	68,063,392
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	52,209	612,450
Advisor Series Units	2,382	15,938
Series F Units*	34	–
Series I Units	1,726,088	6,738,244
	1,780,713	7,366,632
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	2,084,438	511,849
Advisor Series Units	46,550	–
Series F Units*	2,343	–
Series I Units	32,188,528	100,000
Payments on redemption		
Series A Units	(1,463,457)	(758,264)
Advisor Series Units	(1,453)	–
Series I Units	(30,087,618)	(1,506,573)
	2,769,331	(1,652,988)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	673,190	366,035
Advisor Series Units	47,479	15,938
Series F Units*	2,377	–
Series I Units	3,826,998	5,331,671
	4,550,044	5,713,644
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	8,908,132	6,836,210
Advisor Series Units	262,917	182,379
Series F Units*	2,377	–
Series I Units	80,079,398	66,758,447
	$ 89,252,824	$73,777,036

* Start date May 27, 2014.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 1,780,713	$ 7,366,632
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(8,619,670)	(4,352,540)
Net realized gain (loss) foreign exchange on cash	135,682	(230,073)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	6,934,568	(3,552,526)
Change in unrealized appreciation (depreciation) of forward currency contracts	–	689,576
Change in unrealized appreciation (depreciation) of currency spot contracts	929	–
Purchases of non-derivative financial assets	(157,381,888)	(86,542,856)
Proceeds from sale of non-derivative financial assets	154,808,105	87,938,599
Transaction costs	240,634	158,380
Accrued investment income	45,108	(54,747)
Accrued expenses	25,826	18,800
Net cash provided by (used in) operating activities	(2,029,993)	1,439,245
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	34,320,185	624,350
Amounts paid on redemption of redeemable units	(31,550,521)	(2,251,504)
Net cash provided by (used in) financing activities	2,769,664	(1,627,154)
Net gain (loss) foreign exchange on cash	(135,682)	230,073
Net increase (decrease) in cash	739,671	(187,909)
Cash at beginning of period	1,263,181	4,646,550
CASH AT END OF PERIOD	$ 1,867,170	$ 4,688,714
Interest received(1)	4,092	–
Dividends received, net of withholding taxes(1)	656,628	867,184

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.7%			
Canadian Equities – 6.4%			
26,900	Canadian National Railway Company	1,682,660	1,866,860
17,900	Magna International Inc.	1,834,427	2,055,994
32,500	Toronto-Dominion Bank, The	1,671,684	1,785,225
		5,188,771	5,708,079
France – 1.5%			
18,600	BNP Paribas	1,342,173	1,346,320
Germany – 2.8%			
10,100	Continental AG	2,722,924	2,496,029
Israel – 4.4%			
82,000	Frutarom	769,940	2,190,251
81,500	Strauss Group Ltd.	1,199,278	1,707,002
		1,969,218	3,897,253
Japan – 6.2%			
26,700	Daikin Industries, Ltd.	1,821,862	1,801,721
51,500	Hoya Corporation	1,796,153	1,828,287
4,000	Keyence Corporation	1,794,901	1,866,603
		5,412,916	5,496,611
Netherlands – 5.0%			
172,200	ING Groep NV	2,716,185	2,577,599
17,700	LyondellBasell Industries NV, Class A	1,531,307	1,843,663
		4,247,492	4,421,262
Sweden – 2.0%			
32,700	Assa Abloy AB Series B	1,878,815	1,772,186
Switzerland – 2.1%			
2,400	Schweiter Technologies AG	1,555,641	1,850,707
United States – 68.4%			
22,900	EOG Resources, Inc.	2,677,463	2,854,132
22,300	Helemerich & Payne, Inc.	2,673,806	2,761,628
21,600	CVS Caremark Corporation	1,710,318	1,736,245
13,400	McKesson Corporation	2,578,626	2,662,016
17,500	American Express Company	1,507,247	1,770,929
12,600	Berkshire Hathaway Inc., Class B	1,730,791	1,701,257
73,300	Applied Materials, Inc.	1,773,212	1,763,410
7,700	Actavis Inc.	1,718,840	1,823,384
39,300	American Airlines Group Inc.	1,701,672	1,801,191
36,400	Apple Inc.	3,198,312	3,608,778
49,100	Blackstone Group LP	1,682,879	1,751,663
17,800	Cimarex Energy Co.	2,677,195	2,723,817
98,300	Cisco Systems, Inc.	2,635,309	2,606,050
40,900	Delta Air Lines, Inc.	1,443,523	1,689,512
51,880	ITT Corporation	2,567,427	2,664,735
12,100	Martin Marietta Materials Inc.	1,705,558	1,704,423
31,900	Noble Energy, Inc.	2,688,920	2,636,156
41,800	Oracle Corporation	1,881,938	1,807,406
8,100	PPG Industries, Inc.	1,688,662	1,816,006
20,800	QUALCOMM, Inc.	1,738,998	1,757,484
25,600	SanDisk Corporation	2,696,220	2,852,122
38,200	Schlumberger Limited	4,359,313	4,806,890
27,900	Tyco Electronics Ltd.	1,809,237	1,840,673
31,100	United Rental, Inc.	2,905,402	3,476,328
29,300	Walt Disney Company, The	2,280,923	2,680,118
31,500	Wells Fargo & Company	1,737,359	1,765,813
		57,769,150	61,062,166
	TOTAL INVESTMENT PORTFOLIO	82,087,100	88,050,613
	Currency Spot Contracts – 0.0%		(929)
	OTHER ASSETS, LESS LIABILITIES – 1.3%		1,203,140
	NET ASSETS – 100.0%		89,252,824

For equities, all common shares unless otherwise noted.

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

Scotia Global Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	Canadian Dollar	809,085	European Euro	554,434	809,913	(827)
Jul. 2, 2014	European Euro	923,722	Canadian Dollar	1,349,465	1,349,467	(102)
						(929)

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

Scotia Global Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$84,695,989	$68,062,814
Revaluation of Investments at FVTPL	6,791	578
Net assets attributable to holders of redeemable units	$84,702,780	$68,063,392

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$7,351,680
Revaluation of Investments at FVTPL	14,952
Increase (decrease) in net assets attributable to holders of redeemable units	$7,366,632

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	63,145,575	70.7	6,314,558	7.1
European Euro	6,959,502	7.8	695,950	0.8
Japanese Yen	5,497,604	6.2	549,760	0.6
Israel Shekel	3,897,253	4.4	389,725	0.4
Swiss Franc	1,850,707	2.1	185,071	0.2
Swedish Krona	1,772,186	2.0	177,219	0.2
British Pound	(2)	0.0	–	0.0
Total	83,122,825	93.2	8,312,283	9.3

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	50,373,710	59.5	5,037,371	6.0
Japanese Yen	13,849,164	16.4	1,384,916	1.6
European Euro	7,017,863	8.3	701,786	0.8
Swiss Franc	6,091,093	7.2	609,109	0.7
Israel Shekel	3,561,195	4.2	356,120	0.4
British Pound	2,473,800	2.9	247,380	0.3
Total	83,366,825	98.5	8,336,683	9.9

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	9,332,025	13.7	933,203	1.4
Swiss Franc	8,981,614	13.2	898,161	1.3
European Euro	6,619,273	9.7	661,927	1.0
British Pound	5,601,046	8.2	560,105	0.8
Israel Shekel	3,764,163	5.5	376,416	0.6
Total	34,298,121	50.3	3,429,812	5.0

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.7% (December 31, 2013 – 98.4%, January 1, 2013 – 93.3%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $8,805,061 (December 31, 2013 – $8,336,003, January 1, 2013 – $6,354,333). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,503,978	$ –	$695	$ –	$ 2,616
Unrealized loss on currency spot contracts	–	929	–	–	–	–
Unrealized loss on currency forward contracts	–	–	–	–	–	186,039
Redeemable units	89,252,824	–	84,702,780	–	68,063,392	–
	$89,252,824	$1,504,907	$84,702,780	$695	$68,063,392	$188,655

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canada	6.4	–	2.2
France	1.5	6.2	–
Germany	2.8	–	2.7
Israel	4.4	4.2	5.5
Italy	–	2.1	4.1
Japan	6.2	16.3	–
Netherlands	5.0	2.0	2.9
Sweden	2.0	–	–
Switzerland	2.1	7.2	13.2
United Kingdom	–	2.9	8.2
United States	68.4	57.5	54.5
Currency Spot Contracts	0.0	–	–
Currency Forward Contracts	–	–	(0.2)

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$68,613,908	$19,436,705	$ –	$88,050,613
Currency Spot Contracts–Liabilities	(929)	–	–	(929)
	$68,612,979	$19,436,705	–	$88,049,684

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$50,373,710	$32,993,115	$ –	$83,366,825

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$38,567,799	$24,974,598	$ –	$63,542,397
Options (Written Put)	(460)	–	–	(460)
Currency Forward Contracts–Assets	–	23,163	–	23,163
	38,567,339	24,997,761	–	63,565,100
Options (Put)	1,968	–	–	1,968
Currency Forward Contracts–Liabilities	–	(189,532)	–	(189,532)
	1,968	(189,532)	–	(187,564)
	$38,569,307	$24,808,229	$ –	$63,377,536

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Bond Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non–derivative financial assets	$351,267,830	$421,689,406	$648,686,639
Cash	874,685	24,795	60,035
Accrued investment income	2,029,440	2,552,359	3,740,390
Receivable for securities sold	643,511	775,998	–
Subscriptions receivable	59,710	191,463	873,333
	354,875,176	425,234,021	653,360,397
LIABILITIES			
Current liabilities			
Payable for securities purchased	261,436	–	1,617,836
Distributions payable	23,929	70	–
Redemptions payable	408,322	338,029	181,040
Accrued expenses	261,666	–	–
	955,353	338,099	1,798,876
Net Assets attributable to holders of redeemable units	$353,919,823	$424,895,922	$651,561,521
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$353,915,531	$424,866,929	$616,213,347
Series F Units	$ 4,292	$ 28,993	$ 105,428
Series I Units	$ –	$ –	$ 35,242,746
UNITS OUTSTANDING			
Series A Units	30,956,788	38,218,227	52,793,568
Series F Units	374	2,598	9,005
Series I Units	–	–	3,028,298
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.43	$ 11.12	$ 11.67
Series F Units	$ 11.47	$ 11.16	$ 11.71
Series I Units	$ –	$ –	$ 11.64

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 6,956,878	$ 11,066,796
Net realized gain (loss) on non–derivative financial assets	224,833	(198,738)
Change in unrealized appreciation (depreciation) of non–derivative financial assets	11,594,849	(20,842,137)
Net gain (loss) on investments	18,776,560	(9,974,079)
Securities lending	32,865	35,932
Other income	4,224	5,693
Total income (loss)	18,813,649	(9,932,454)
EXPENSES		
Management fees (note 5)	1,330,875	2,039,324
Harmonized Sales Tax/Goods and Services Tax	169,807	258,197
Audit fees	4,134	7,361
Independent Review Committee fees	569	1,083
Custodian fees	6,843	9,935
Filing fees	11,064	18,586
Legal fees	1,200	2,623
Unitholder reporting costs	15,323	16,805
Unitholder administration and service fees	100,240	119,722
Overdraft charges	24	–
Total expenses	1,640,079	2,473,636
Absorbed expenses	(1,495)	(1,632)
Net expenses	1,638,584	2,472,004
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$17,175,065	$(12,404,458)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$17,174,134	$(11,862,547)
Series F Units	$ 931	$ (663)
Series I Units	$ –	$ (541,248)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.51	$ (0.23)
Series F Units	$ 0.82	$ (0.16)
Series I Units	$ –	$ (0.18)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	33,775,086	51,229,670
Series F Units	1,136	4,052
Series I Units	–	2,950,052

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$424,866,929	$ 616,213,347
Series F Units	28,993	105,428
Series I Units	–	35,242,746
	424,895,922	651,561,521
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	17,174,134	(11,862,547)
Series F Units	931	(663)
Series I Units	–	(541,248)
	17,175,065	(12,404,458)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(5,888,642)	(8,784,444)
Series F Units	(244)	(572)
Series I Units	–	(656,094)
	(5,888,886)	(9,441,110)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	11,526,565	53,061,169
Series I Units	–	180,008
Reinvested distributions		
Series A Units	5,717,276	8,492,557
Series F Units	244	133
Series I Units	–	656,094
Payments on redemption		
Series A Units	(99,480,731)	(111,493,117)
Series F Units	(25,632)	(76,585)
Series I Units	–	(2,648,009)
	(82,262,278)	(51,827,750)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	(70,951,398)	(70,586,382)
Series F Units	(24,701)	(77,687)
Series I Units	–	(3,009,249)
	(70,976,099)	(73,673,318)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	353,915,531	545,626,965
Series F Units	4,292	27,741
Series I Units	–	32,233,497
	$353,919,823	$ 577,888,203

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 17,175,065	$ (12,404,458)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(224,833)	198,738
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(11,594,849)	20,842,137
Purchases of non-derivative financial assets	(82,667,827)	(141,380,359)
Proceeds from sale of non-derivative financial assets	165,303,008	192,296,655
Accrued investment income	522,919	225,340
Accrued expenses	261,666	370,342
Net cash provided by (used in) operating activities	88,775,149	60,148,395
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	11,658,318	53,966,221
Amounts paid on redemption of redeemable units	(99,436,070)	(113,148,296)
Distributions to unitholders of redeemable units	(147,507)	(252,553)
Net cash provided by (used in) financing activities	(87,925,259)	(59,434,628)
Net increase (decrease) in cash	849,890	713,767
Cash at beginning of period	24,795	60,035
CASH AT END OF PERIOD	$ 874,685	$ 773,802
Interest received(1)	7,479,797	11,292,136

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS – 99.3%			
Federal Bonds – 33.8%			
	Business Development Bank of Canada		
87,000	4.75% due Jul. 26, 2021	105,024	101,846
53,000	4.35% due Feb. 28, 2022	55,707	60,259
	Canada Housing Trust No. 1		
3,730,000	2.45% due Dec. 15, 2015	3,789,265	3,802,017
2,029,000	2.75% due Dec. 15, 2015	2,076,854	2,076,913
3,600,000	2.75% due Jun. 15, 2016	3,661,846	3,706,365
3,450,000	1.85% due Dec. 15, 2016	3,491,964	3,494,041
2,895,000	2.05% due Jun. 15, 2017	2,917,720	2,946,836
3,308,000	1.70% due Dec. 15, 2017	3,304,729	3,325,638
1,422,000	1.75% due Jun. 15, 2018	1,421,374	1,427,609
1,750,000	2.05% due Jun. 15, 2018	1,747,865	1,776,887
3,197,000	2.35% due Dec. 15, 2018	3,212,716	3,279,252
1,250,000	4.10% due Dec. 15, 2018	1,326,583	1,375,477
1,638,000	1.95% due Jun. 15, 2019	1,636,559	1,645,787
1,562,000	3.75% due Mar. 15, 2020	1,552,056	1,708,683
1,130,000	3.35% due Dec. 15, 2020	1,125,069	1,211,928
2,335,000	3.80% due Jun. 15, 2021	2,498,042	2,568,615
1,941,000	2.65% due Mar. 15, 2022	1,959,945	1,980,350
2,172,000	2.40% due Dec. 15, 2022	2,147,370	2,159,457
970,000	2.35% due Sep. 15, 2023	965,693	951,310
703,000	3.15% due Sep. 15, 2023	708,132	735,873
565,000	2.90% due Jun. 15, 2024	572,707	575,608
624,000	2.90% due Jun. 15, 2024	621,866	636,046
	Canada Mortgage and Housing Corporation		
35,000	4.25% due Feb. 1, 2016	34,106	36,670
	Canada Post Corporation		
275,000	4.08% due Jul. 16, 2025	291,501	309,850
	Export Development Canada		
50,000	4.30% due Jun. 1, 2016	49,842	52,915
	Farm Credit Canada		
231,000	4.55% due Apr. 12, 2021	266,130	264,314
	Farm Credit Corporation		
303,000	4.60% due Jun. 1, 2021	361,094	349,300
	Government of Canada		
378,000	1.50% due Aug. 1, 2015	381,780	380,009
750,000	1.00% due Nov. 1, 2015	749,460	749,721
4,797,000	3.00% due Dec. 1, 2015	5,055,556	4,929,311
99,000	2.00% due Jun. 1, 2016	100,917	100,693
3,378,000	4.00% due Jun. 1, 2016	3,717,188	3,563,308
5,719,000	2.75% due Sep. 1, 2016	6,032,019	5,919,776
59,000	1.50% due Mar. 1, 2017	59,474	59,526
7,926,000	4.00% due Jun. 1, 2017	8,871,967	8,566,951
1,784,000	1.50% due Sep. 1, 2017	1,794,917	1,795,914
1,021,000	1.25% due Mar. 1, 2018	1,017,516	1,017,602
1,907,000	4.25% due Jun. 1, 2018	2,134,343	2,113,860
1,798,000	1.25% due Sep. 1, 2018	1,764,284	1,783,153
45,000	1.75% due Mar. 1, 2019	45,437	45,447
3,721,000	3.75% due Jun. 1, 2019	4,221,311	4,107,184
804,000	1.75% due Sep. 1, 2019	806,960	808,967
4,053,000	3.50% due Jun. 1, 2020	4,569,013	4,465,949
1,000	10.50% due Mar. 15, 2021	1,680	1,549
3,780,000	3.25% due Jun. 1, 2021	4,256,011	4,126,229
203,000	9.75% due Jun. 1, 2021	305,701	307,780
2,933,000	2.75% due Jun. 1, 2022	3,081,389	3,096,293
111,000	9.25% due Jun. 1, 2022	185,696	170,525
2,402,000	1.50% due Jun. 1, 2023	2,201,123	2,281,271
515,000	8.00% due Jun. 1, 2023	719,439	763,333
1,481,000	2.50% due Jun. 1, 2024	1,504,231	1,515,659
600,000	2.25% due Jun. 1, 2025	592,452	593,942
577,000	9.00% due Jun. 1, 2025	842,705	951,023
965,800	8.00% due Jun. 1, 2027	1,386,879	1,563,991
2,831,000	5.75% due Jun. 1, 2029	4,057,025	3,956,179
3,095,000	5.75% due Jun. 1, 2033	4,481,828	4,501,674

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Federal Bonds (cont'd)			
	Government of Canada (cont'd)		
3,327,000	5.00% due Jun. 1, 2037	4,732,819	4,593,983
4,125,000	4.00% due Jun. 1, 2041	5,017,844	5,061,182
2,286,000	3.50% due Dec. 1, 2045	2,678,389	2,628,897
199,000	2.75% due Dec. 1, 2048	198,483	197,703
230,000	2.75% due Dec. 1, 2064	217,378	230,506
		119,684,973	119,508,936
Provincial Bonds – 30.2%			
	Alberta Capital Finance Authority		
303,000	3.05% due Jun. 15, 2015	307,340	308,724
51,000	4.35% due Jun. 15, 2016	50,648	54,047
73,000	4.65% due Jun. 15, 2017	72,768	79,680
15,000	4.45% due Dec. 15, 2025	14,953	16,930
	Financement-Quebec		
87,000	4.25% due Dec. 1, 2015	87,758	90,761
933,000	3.50% due Dec. 1, 2016	984,921	980,364
509,000	3.50% due Dec. 1, 2017	530,303	540,125
374,000	2.40% due Dec. 1, 2018	371,725	381,610
369,000	2.45% due Dec. 1, 2019	368,667	373,821
455,000	5.25% due Jun. 1, 2034	474,201	545,802
	Hydro-Quebec		
350,000	11.00% due Aug. 15, 2020	557,550	521,655
259,000	10.50% due Oct. 15, 2021	410,689	393,337
153,000	9.63% due Jul. 15, 2022	227,024	227,687
40,000	6.00% due Aug. 15, 2031	37,938	52,109
478,000	6.50% due Feb. 15, 2035	639,811	666,461
461,000	6.00% due Feb. 15, 2040	537,206	627,867
450,000	5.00% due Feb. 15, 2045	481,261	550,800
550,000	5.00% due Feb. 15, 2050	656,588	685,015
	Newfoundland and Labrador Hydro		
40,000	4.33% due Oct. 13, 2016	39,910	42,659
60,000	10.25% due Jul. 14, 2017	83,494	75,335
175,000	6.65% due Aug. 27, 2031	174,729	243,829
	Ontario Electricity Financial Corporation		
100,000	10.00% due Feb. 6, 2020	137,618	140,327
11,000	10.75% due Aug. 6, 2021	18,216	16,765
113,000	10.13% due Oct. 15, 2021	181,665	169,104
236,000	8.90% due Aug. 18, 2022	326,413	339,684
155,000	8.50% due May 26, 2025	194,424	230,292
505,000	8.25% due Jun. 22, 2026	736,799	751,893
	Ontario School Boards Financing Corporation		
25,000	5.70% due Oct. 11, 2017	24,935	28,048
24,840	5.90% due Oct. 11, 2027	24,708	29,024
38,282	5.48% due Nov. 26, 2029	38,283	43,710
15,624	4.79% due Aug. 8, 2030	15,624	16,638
20,866	5.07% due Apr. 18, 2031	20,866	22,911
32,661	5.38% due Jun. 25, 2032	32,661	36,957
	Ontario Strategic Infrastructure Finance Authority		
100,000	4.60% due Jun. 1, 2015	99,699	103,094
	OPB Finance Trust		
101,000	3.89% due Jul. 4, 2042	100,929	98,063
	Omge Issuer Trust		
132,254	5.73% due Jun. 11, 2034	141,225	147,015
	Province of Alberta		
164,000	1.85% due Sep. 1, 2016	163,780	166,219
303,000	1.75% due Jun. 15, 2017	303,171	305,773
399,000	1.70% due Dec. 15, 2017	396,567	400,865
285,000	1.60% due Jun. 15, 2018	279,408	284,341
128,000	2.00% due Jun. 1, 2019	127,945	128,860
500,000	4.00% due Dec. 1, 2019	540,701	551,405
464,000	2.55% due Dec. 15, 2022	459,852	460,938
195,000	3.40% due Dec. 1, 2023	194,358	204,675
163,000	3.10% due Jun. 1, 2024	162,751	166,044
531,000	2.90% due Sep. 20, 2029	502,985	506,240

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Provincial Bonds (cont'd)			
	Province of Alberta (cont'd)		
308,000	3.50% due Jun. 1, 2031	309,300	312,432
223,000	3.90% due Dec. 1, 2033	222,204	236,612
200,000	4.50% due Dec. 1, 2040	198,230	232,771
465,000	3.45% due Dec. 1, 2043	445,637	458,962
	Province of British Columbia		
90,000	4.70% due Dec. 1, 2017	89,674	99,417
100,000	5.60% due Jun. 1, 2018	108,177	114,865
580,000	4.65% due Dec. 18, 2018	605,559	651,927
392,000	2.25% due Mar. 1, 2019	392,326	400,053
30,000	5.30% due Jun. 17, 2019	30,065	34,749
377,000	4.10% due Dec. 18, 2019	386,784	417,855
546,000	3.70% due Dec. 18, 2020	544,140	593,876
100,000	9.95% due May 15, 2021	152,708	147,295
185,000	4.80% due Jun. 15, 2021	207,134	212,721
479,000	3.25% due Dec. 18, 2021	482,324	504,617
68,000	9.50% due Jun. 9, 2022	107,740	101,019
360,000	2.70% due Dec. 18, 2022	360,537	361,659
386,000	3.30% due Dec. 18, 2023	381,940	402,122
290,000	6.15% due Nov. 19, 2027	273,509	382,728
201,000	4.95% due Dec. 1, 2027	220,589	233,775
625,000	5.70% due Jun. 18, 2029	778,321	802,066
370,000	6.35% due Jun. 18, 2031	476,145	509,839
34,000	5.40% due Jun. 18, 2035	40,895	43,469
403,000	4.70% due Jun. 18, 2037	471,395	476,066
491,000	4.95% due Jun. 18, 2040	539,825	606,879
785,000	4.30% due Jun. 18, 2042	861,040	889,562
893,000	3.20% due Jun. 18, 2044	809,946	837,579
	Province of Manitoba		
40,000	5.20% due Dec. 3, 2015	42,873	42,296
332,000	4.30% due Mar. 1, 2016	348,822	349,185
3,000	2.05% due Dec. 1, 2016	3,007	3,054
152,000	1.85% due Jun. 1, 2017	151,743	153,798
150,000	4.70% due Sep. 22, 2017	161,832	164,939
45,000	4.25% due Mar. 5, 2018	44,811	49,210
145,000	1.85% due Sep. 5, 2018	144,797	145,708
240,000	4.75% due Feb. 11, 2020	267,584	273,004
129,000	4.15% due Jun. 3, 2020	130,967	142,941
169,000	3.85% due Dec. 1, 2021	183,189	183,688
251,000	2.55% due Jun. 2, 2023	240,202	245,361
189,000	3.30% due Jun. 2, 2024	188,526	194,198
155,000	4.40% due Sep. 5, 2025	154,430	173,557
150,000	7.75% due Dec. 22, 2025	175,083	215,446
16,000	3.25% due Sep. 5, 2029	15,253	15,749
71,000	10.50% due Mar. 5, 2031	139,014	133,561
125,000	5.70% due Mar. 5, 2037	141,079	165,039
518,000	4.60% due Mar. 5, 2038	544,995	598,059
280,000	4.65% due Mar. 5, 2040	291,451	326,941
77,000	4.10% due Mar. 5, 2041	80,867	83,156
130,000	4.40% due Mar. 5, 2042	129,659	147,391
130,000	3.35% due Mar. 5, 2043	121,679	123,535
252,000	4.05% due Sep. 5, 2045	257,867	272,406
100,000	4.70% due Mar. 5, 2050	101,146	121,861
18,000	3.15% due Sep. 5, 2052	15,503	16,346
	Province of New Brunswick		
92,000	4.30% due Dec. 3, 2015	91,810	96,080
168,000	4.70% due Jul. 21, 2016	175,993	179,619
175,000	6.00% due Dec. 27, 2017	197,531	200,721
400,000	4.45% due Mar. 26, 2018	427,288	439,981
455,000	4.40% due Jun. 3, 2019	472,078	505,296
469,000	4.50% due Jun. 2, 2020	469,172	526,325
263,000	2.85% due Jun. 2, 2023	261,735	261,169
226,000	3.65% due Jun. 3, 2024	228,408	236,655
34,313	6.47% due Nov. 30, 2027	43,168	41,725
50,000	5.65% due Dec. 27, 2028	45,795	62,176

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Provincial Bonds (cont'd)			
	Province of New Brunswick (cont'd)		
190,000	5.50% due Jan. 27, 2034	232,257	236,690
189,000	4.65% due Sep. 26, 2035	200,500	213,831
267,000	4.55% due Mar. 26, 2037	295,807	298,137
185,000	4.80% due Sep. 26, 2039	194,616	214,736
240,000	4.80% due Jun. 3, 2041	245,013	280,423
269,000	3.55% due Jun. 3, 2043	247,108	257,501
75,000	3.80% due Aug. 14, 2045	74,461	75,264
80,000	3.55% due Jun. 3, 2055	81,398	76,636
	Province of Newfoundland and Labrador		
65,000	10.95% due Apr. 15, 2021	96,801	98,948
35,000	6.15% due Apr. 17, 2028	33,447	45,588
250,000	6.55% due Oct. 17, 2030	306,872	344,033
51,000	5.70% due Oct. 17, 2035	69,651	65,955
95,000	4.50% due Apr. 17, 2037	98,987	106,203
177,000	4.65% due Oct. 17, 2040	205,538	203,795
	Province of Nova Scotia		
60,000	4.60% due Aug. 18, 2016	59,648	64,168
120,000	4.15% due Nov. 25, 2019	119,035	132,274
81,000	4.10% due Jun. 1, 2021	85,110	89,116
217,000	4.45% due Oct. 24, 2021	233,836	242,853
130,000	9.60% due Jan. 30, 2022	179,967	191,574
180,000	6.60% due Jun. 1, 2027	218,828	242,189
200,000	5.80% due Jun. 1, 2033	227,962	259,071
55,000	4.90% due Jun. 1, 2035	55,465	64,713
255,000	4.50% due Jun. 1, 2037	278,344	285,980
117,000	4.70% due Jun. 1, 2041	128,542	136,329
297,000	4.40% due Jun. 1, 2042	323,620	332,202
305,000	3.50% due Jun. 2, 2062	303,258	296,074
	Province of Ontario		
546,000	3.15% due Sep. 8, 2015	573,553	559,296
504,000	4.40% due Mar. 8, 2016	538,501	530,812
295,000	3.20% due Sep. 8, 2016	304,576	307,186
1,734,000	4.30% due Mar. 8, 2017	1,803,823	1,864,826
1,824,000	1.90% due Sep. 8, 2017	1,822,958	1,842,541
898,000	4.20% due Mar. 8, 2018	972,506	978,653
1,915,000	2.10% due Sep. 8, 2018	1,911,330	1,936,177
1,535,000	4.40% due Jun. 2, 2019	1,641,929	1,704,475
348,000	2.10% due Sep. 8, 2019	347,360	347,960
2,751,000	4.20% due Jun. 2, 2020	2,853,170	3,041,680
2,500,000	4.00% due Jun. 2, 2021	2,618,497	2,731,631
3,081,000	3.15% due Jun. 2, 2022	3,134,703	3,171,108
269,000	9.50% due Jul. 13, 2022	401,378	398,897
2,976,000	2.85% due Jun. 2, 2023	2,918,073	2,960,210
534,000	8.10% due Sep. 8, 2023	722,321	755,486
51,000	7.50% due Feb. 7, 2024	73,933	70,067
1,853,000	3.50% due Jun. 2, 2024	1,881,107	1,921,430
699,000	7.60% due Jun. 2, 2027	973,749	1,014,977
110,000	6.25% due Aug. 25, 2028	110,879	143,697
1,550,000	6.50% due Mar. 8, 2029	1,992,753	2,094,139
90,000	6.20% due Jun. 2, 2031	89,415	120,114
939,000	5.85% due Mar. 8, 2033	1,120,465	1,222,153
1,522,000	5.60% due Jun. 2, 2035	1,877,351	1,948,598
1,465,000	4.70% due Jun. 2, 2037	1,566,731	1,690,115
1,660,000	4.60% due Jun. 2, 2039	1,737,323	1,895,901
2,117,000	4.65% due Jun. 2, 2041	2,418,209	2,451,028
2,672,000	3.50% due Jun. 2, 2043	2,683,847	2,570,347
2,574,000	3.45% due Jun. 2, 2045	2,361,335	2,455,928
	Province of Prince Edward Island		
31,000	3.70% due Sep. 2, 2020	30,836	33,230
50,000	6.80% due Feb. 21, 2030	49,690	68,761
20,000	5.70% due Jun. 15, 2035	19,982	25,369
36,000	5.30% due May 19, 2036	39,761	43,698
120,000	4.65% due Nov. 19, 2037	132,107	134,647
	Province of Prince Edward Island (cont'd)		
80,000	4.60% due May 19, 2041	83,564	89,306
101,000	3.65% due Jun. 27, 2042	100,725	97,014
25,000	3.60% due Jan. 17, 2053	23,077	23,932
27,000	3.85% due Jul. 17, 2054	26,858	26,858
	Province of Quebec		
875,000	5.00% due Dec. 1, 2015	936,324	922,011
1,450,000	4.50% due Dec. 1, 2017	1,591,717	1,587,526
1,349,000	4.50% due Dec. 1, 2018	1,457,831	1,496,955
1,519,000	4.50% due Dec. 1, 2019	1,634,137	1,698,933
1,750,000	4.50% due Dec. 1, 2020	1,916,249	1,966,025
2,035,000	4.25% due Dec. 1, 2021	2,243,990	2,253,513
1,883,000	3.50% due Dec. 1, 2022	1,954,741	1,976,463
500,000	9.38% due Jan. 16, 2023	712,250	745,900
1,461,000	3.00% due Sep. 1, 2023	1,448,799	1,464,706
1,195,000	3.75% due Sep. 1, 2024	1,231,147	1,260,450
130,000	5.35% due Jun. 1, 2025	153,855	155,004
300,000	8.50% due Apr. 1, 2026	412,725	450,431
600,000	6.00% due Oct. 1, 2029	748,009	775,455
952,000	6.25% due Jun. 1, 2032	1,140,384	1,278,515
1,037,000	5.75% due Dec. 1, 2036	1,285,191	1,348,721
1,192,000	5.00% due Dec. 1, 2038	1,326,952	1,422,469
1,995,000	5.00% due Dec. 1, 2041	2,298,668	2,406,472
1,667,000	4.25% due Dec. 1, 2043	1,802,846	1,806,490
1,255,000	3.50% due Dec. 1, 2045	1,172,109	1,194,682
	Province of Saskatchewan		
30,000	4.25% due Dec. 3, 2015	29,797	31,329
60,000	4.50% due Aug. 23, 2016	59,590	64,149
167,000	1.95% due Mar. 1, 2019	167,370	168,242
286,000	9.60% due Feb. 1, 2022	452,197	424,451
166,000	3.20% due Jun. 3, 2024	167,047	170,587
206,000	5.75% due Mar. 5, 2029	268,776	264,801
103,000	6.40% due Sep. 5, 2031	130,355	142,828
373,000	5.60% due Sep. 5, 2035	418,407	488,574
210,000	4.75% due Jun. 1, 2040	219,826	252,122
155,000	3.40% due Feb. 3, 2042	156,100	150,803
325,000	3.90% due Jun. 2, 2045	321,348	347,095
		102,733,751	106,604,826
Municipal Bonds – 2.3%			
	55 Ontario School Board Trust		
135,000	5.90% due Jun. 2, 2033	134,906	167,583
	City of Edmonton		
58,000	8.50% due Sep. 14, 2018	78,153	72,767
	City of Montreal		
185,000	4.50% due Dec. 1, 2021	195,539	204,844
35,000	3.50% due Sep. 1, 2024	34,927	35,394
20,000	4.25% due Dec. 1, 2032	20,232	20,922
88,000	4.10% due Dec. 1, 2034	87,553	89,525
122,000	6.00% due Jun. 1, 2043	148,820	162,252
	City of Ottawa		
31,000	5.05% due Aug. 13, 2030	35,946	35,131
41,000	4.40% due Oct. 22, 2033	40,941	44,061
140,000	4.60% due Jul. 14, 2042	149,528	154,470
76,000	4.20% due Jul. 30, 2053	75,810	78,452
	City of Toronto		
227,000	4.85% due Jul. 28, 2016	245,553	242,883
118,000	5.05% due Jul. 18, 2017	131,744	129,891
219,000	4.95% due Jun. 27, 2018	241,393	244,473
100,000	4.50% due Dec. 2, 2019	99,691	111,080
67,000	6.80% due Jul. 26, 2021	87,322	84,237
136,000	3.50% due Dec. 6, 2021	137,557	142,548
126,000	3.90% due Sep. 29, 2023	125,638	133,515
14,067	5.34% due Jul. 18, 2027	14,067	16,053

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Municipal Bonds (cont'd)			
	City of Toronto (cont'd)		
107,000	5.20% due Jun. 1, 2040	122,937	128,294
151,000	4.70% due Jun. 10, 2041	153,992	169,427
162,000	3.80% due Dec. 13, 2042	161,452	157,721
	City of Vancouver		
25,000	4.70% due Dec. 1, 2017	24,852	27,412
54,000	3.45% due Dec. 2, 2021	53,923	56,346
46,000	3.75% due Oct. 24, 2023	45,947	48,162
40,000	3.70% due Oct. 18, 2052	39,727	37,307
	City of Winnipeg		
40,000	6.25% due Nov. 17, 2017	47,860	45,703
30,000	5.90% due Feb. 2, 2029	37,712	37,340
81,000	5.20% due Jul. 17, 2036	95,352	95,488
	Durham District School Board		
44,000	6.75% due Nov. 19, 2019	51,401	53,207
	Hydro Ottawa Holding Inc. (callable)		
65,000	3.99% due May 14, 2043-(Nov. 14, 2042)	65,000	63,018
	Labrador-Island Link Funding Trust		
78,000	3.76% due Jun. 1, 2033	79,441	84,348
86,000	3.86% due Dec. 1, 2045	87,932	95,096
418,000	3.85% due Dec. 1, 2053	424,968	465,029
	Municipal Finance Authority of British Columbia		
25,000	4.15% due Oct. 13, 2015	24,968	25,955
162,000	4.65% due Apr. 19, 2016	164,721	171,817
410,000	4.80% due Dec. 1, 2017	433,725	452,429
213,000	4.60% due Apr. 23, 2018	239,606	235,384
99,000	4.88% due Jun. 3, 2019	112,977	112,068
173,000	4.45% due Jun. 1, 2020	179,378	193,383
155,000	4.15% due Jun. 1, 2021	162,635	170,578
60,000	3.35% due Jun. 1, 2022	59,930	62,466
170,000	3.75% due Sep. 26, 2023	172,280	180,201
	Muskrat Falls / Labrador Transmission Assets Funding		
43,000	3.63% due Jun. 1, 2029	43,731	46,079
86,000	3.83% due Jun. 1, 2037	87,758	93,746
339,000	3.86% due Dec. 1, 2048	346,302	375,871
	Peel Region Municipal of Ontario		
125,000	3.50% due Dec. 1, 2021	128,015	130,769
131,000	4.25% due Dec. 2, 2033	130,479	137,760
173,000	5.10% due Jun. 29, 2040	173,897	204,925
159,000	3.85% due Oct. 30, 2042	158,103	155,944
	Regional Municipality of Halton Canada		
38,000	4.05% due Oct. 11, 2041	37,817	38,421
	Regional Municipality of York		
30,000	4.50% due Sep. 28, 2016	29,921	31,967
144,000	5.00% due Apr. 29, 2019	163,678	162,694
99,000	4.50% due Jun. 30, 2020	102,609	110,085
175,000	4.00% due Jun. 30, 2021	178,550	189,483
142,000	4.00% due May 31, 2032	143,639	145,159
83,000	3.65% due May 13, 2033	73,645	80,783
	Toronto Hospital		
23,824	5.64% due Dec. 8, 2022	23,300	26,997
	Ville de Montreal		
25,000	4.60% due Jun. 1, 2017	24,950	26,973
108,000	5.00% due Dec. 1, 2017	108,530	119,239
50,000	5.00% due Dec. 1, 2018	49,574	56,080
293,000	5.45% due Dec. 1, 2019	336,995	338,289
140,000	3.50% due Sep. 1, 2023	139,161	143,158
	Windsor Canada Utilities Ltd.		
50,000	4.13% due Nov. 6, 2042	50,000	48,136
	Winnipeg Airports Authority Inc.		
200,000	4.57% due Nov. 20, 2019	222,180	220,056
	York Region District School Board		
48,087	6.45% due Jun. 4, 2024	59,391	57,083
		7,940,261	8,277,957

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds – 33.0%			
	407 East Development Group		
224,000	2.81% due Dec. 23, 2015	224,000	227,882
61,000	4.47% due Jun. 23, 2045	61,000	61,117
	407 International Inc.		
110,000	3.87% due Nov. 24, 2017	109,967	116,472
140,000	4.99% due Jun. 16, 2020	155,818	159,698
121,000	4.30% due May 26, 2021	124,634	133,585
125,000	6.47% due Jul. 27, 2029	159,194	163,607
180,000	5.96% due Dec. 3, 2035	192,182	228,338
79,000	5.75% due Feb. 14, 2036	78,899	95,542
	407 International Inc. (callable)		
134,000	4.45% due Nov. 15, 2041-(Aug. 15, 2041)	139,635	141,075
	407 International Inc.		
80,000	3.98% due Sep. 11, 2052	79,611	77,234
	407 International Inc. (callable)		
53,000	4.19% due Apr. 25, 2042 -(Jan. 25, 2042)	52,928	53,552
33,000	4.68% due Oct. 7, 2053-(Apr. 7, 2053)	32,994	36,305
	Aeroports de Montreal		
114,284	6.95% due Apr. 16, 2032	129,759	145,656
125,000	5.17% due Sep. 17, 2035	135,594	144,040
200,000	5.67% due Oct. 16, 2037	233,759	247,227
130,000	3.92% due Sep. 26, 2042	130,000	125,853
	AGT Limited		
99,000	8.80% due Sep. 22, 2025	143,272	141,425
	Aimia Inc		
140,000	4.35% due Jan. 22, 2018	139,693	147,389
	Aimia Inc.		
103,000	5.60% due May 17, 2019	102,924	114,264
	Algonquin Power & Utilities Corporation		
275,000	4.82% due Feb. 15, 2021	274,835	297,385
70,000	4.65% due Feb. 15, 2022	69,905	74,494
	Alimentation Couche-Tard		
275,000	2.86% due Nov. 1, 2017	275,000	279,239
165,000	3.32% due Nov. 1, 2019	165,000	167,932
	Alliance Pipeline LP		
10,488	7.23% due Jun. 30, 2015	10,803	10,793
35,185	7.18% due Jun. 30, 2023	36,941	42,149
21,792	5.55% due Dec. 31, 2023	21,797	24,184
67,437	6.77% due Dec. 31, 2025	67,437	80,301
50,579	7.22% due Dec. 31, 2025	53,488	61,493
	AltaGas Income Trust		
90,000	4.10% due Mar. 24, 2016	89,968	93,552
81,000	5.49% due Mar. 27, 2017	88,319	88,452
100,000	4.60% due Jan. 15, 2018	99,931	107,853
121,000	4.55% due Jan. 17, 2019	123,728	131,383
	AltaGas Ltd.		
28,000	4.07% due Jun. 1, 2020	28,510	29,956
130,000	3.72% due Sep. 28, 2021	129,961	135,666
	AltaGas Ltd. (callable)		
106,000	3.57% due Jun. 12, 2023-(Mar. 12, 2023)	105,921	106,932
12,000	4.40% due Mar. 15, 2024-(Dec. 15, 2023)	11,993	12,745
6,000	5.16% due Jan. 13, 2044-(Jul. 13, 2043)	5,993	6,538
	AltaLink Investments LP (callable)		
107,000	3.27% due Jun. 5, 2020-(Mar. 5, 2020)	106,995	109,545
	AltaLink LP		
25,000	5.24% due May 29, 2018	25,644	27,941
68,000	3.62% due Sep. 17, 2020	68,000	72,141
145,000	2.98% due Nov. 28, 2022	145,000	145,389
152,000	3.67% due Nov. 6, 2023	152,000	158,440
89,000	3.40% due Mar. 6, 2024	89,000	90,244
50,000	5.25% due Sep. 22, 2036	59,640	58,225
62,000	5.38% due Mar. 26, 2040	62,000	74,475
65,000	4.87% due Nov. 15, 2040	65,000	72,981

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	AltaLink LP (cont'd)		
95,000	4.46% due Nov. 8, 2041	95,000	100,187
90,000	4.92% due Sep. 17, 2043	90,000	102,032
	AltaLink LP (callable)		
23,000	4.27% due Jun. 6, 2064-(Dec. 6, 2063)	23,000	23,402
	American Express Canada		
145,000	2.31% due Mar. 29, 2018	144,959	146,376
	American Express Company		
245,000	3.60% due Jun. 3, 2016	247,394	254,011
	Aon Corporation		
207,000	4.76% due Mar. 8, 2018	206,903	222,358
	Arrow Lakes Power Corporation		
100,000	5.52% due Apr. 5, 2041	100,000	113,721
	Asian Development Bank		
55,000	4.75% due Jun. 15, 2017	54,909	59,948
101,000	4.65% due Feb. 16, 2027	101,062	115,045
	Bank of Montreal		
700,000	1.89% due Oct. 5, 2015	699,979	703,662
379,000	3.10% due Mar. 10, 2016	385,015	388,940
95,000	5.10% due Apr. 21, 2016	95,000	100,582
811,000	3.49% due Jun. 10, 2016	828,771	839,700
638,000	3.98% due Jul. 8, 2016	643,018	664,999
465,000	2.96% due Aug. 2, 2016	468,013	477,302
520,000	2.39% due Jul. 12, 2017	520,000	528,531
168,000	5.45% due Jul. 17, 2017	177,374	185,800
95,000	4.55% due Aug. 1, 2017	94,991	102,602
239,000	2.24% due Dec. 11, 2017	238,108	241,216
	Bank of Montreal (callable)		
215,000	6.17% due Mar. 28, 2020-(2018)	243,829	245,692
	Bank of Montreal		
400,000	6.02% due May 2, 2018	472,820	458,116
456,000	2.84% due Jun. 4, 2020	455,886	464,812
249,000	4.61% due Sep. 10, 2025	266,947	281,273
	Bank of Montreal Capital Trust (callable)		
635,000	5.47% due Dec. 31, 2049-(2014)	650,080	646,975
70,000	4.63% due Dec. 31, 2049-(2015)	70,000	72,938
	Bankers Hall LP		
73,392	4.38% due Nov. 20, 2023	73,392	76,533
	BC Ferry Services Inc. (callable)		
24,000	4.70% due Oct. 23, 2043-(Apr. 23, 2043)	24,000	26,206
	bcIMC Realty Corporation		
225,000	2.65% due Jun. 29, 2017	224,957	230,941
70,000	2.79% due Aug. 2, 2018	69,984	71,946
227,000	2.96% due Mar. 7, 2019	226,914	234,382
75,000	3.51% due Jun. 29, 2022	74,981	77,783
	Bell Aliant Regional Communications, Limited Partnership		
385,000	5.41% due Sep. 26, 2016	410,845	414,176
100,000	4.88% due Apr. 26, 2018	104,160	109,064
60,000	3.54% due Jun. 12, 2020	60,000	62,047
113,000	6.17% due Feb. 26, 2037	112,895	131,219
	Bell Canada		
340,000	3.60% due Dec. 2, 2015	339,429	349,449
310,000	3.65% due May 19, 2016	320,524	320,908
275,000	5.00% due Feb. 15, 2017	298,800	296,621
345,000	4.40% due Mar. 16, 2018	344,710	372,024
97,000	3.50% due Sep. 10, 2018	96,943	101,547
315,000	3.35% due Jun. 18, 2019	314,493	326,976
271,000	3.25% due Jun. 17, 2020	270,797	278,257
160,000	4.95% due May 19, 2021	159,414	179,296
315,000	3.35% due Mar. 22, 2023	314,468	313,449
145,000	4.70% due Sep. 11, 2023	144,851	158,094
87,000	6.55% due May 1, 2029	87,635	108,324
130,000	7.85% due Apr. 2, 2031	152,181	180,400
37,000	6.10% due Mar. 16, 2035	34,302	45,197

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	BMO Subordinated Notes Trust		
250,000	5.75% due Sep. 26, 2022	249,963	278,350
	BMW Canada Auto Trust		
41,000	2.88% due Aug. 9, 2016	40,998	42,038
	BMW Canada Inc.		
125,000	2.11% due May 26, 2016	124,963	126,158
125,000	2.39% due Nov. 27, 2017	124,994	126,796
80,000	2.33% due May 23, 2018	79,985	80,847
	Borealis Infrastructure Trust		
26,203	6.35% due Dec. 1, 2020	29,301	29,197
	British Columbia Ferry Services Inc.		
40,000	6.25% due Oct. 13, 2034	39,952	51,610
100,000	5.02% due Mar. 20, 2037	114,274	113,122
35,000	5.58% due Jan. 11, 2038	35,000	42,388
	British Columbia Ferry Services Inc. (callable)		
118,000	4.29% due Apr. 28, 2044-(Oct. 28, 2043)	118,000	120,726
	Brookfield Asset Management Inc.		
127,000	3.95% due Apr. 9, 2019	126,992	133,490
74,000	5.30% due Mar. 1, 2021	75,832	82,709
195,000	4.54% due Mar. 31, 2023	196,501	205,907
195,000	5.04% due Mar. 8, 2024	194,922	210,758
275,000	4.82% due Jan. 28, 2026	274,876	286,461
172,000	5.95% due Jun. 14, 2035	162,334	187,230
	Brookfield Power Corporation		
62,000	5.84% due Nov. 5, 2036	56,687	66,162
	BRP Finance ULC		
218,000	4.79% due Feb. 7, 2022	217,983	235,767
	Cadillac Fairview Finance Trust		
430,000	3.24% due Jan. 25, 2016	429,979	443,129
185,000	3.64% due May 9, 2018	184,978	197,606
255,000	4.31% due Jan. 25, 2021	254,939	284,166
	Caisse Centrale Desjardins		
410,000	2.28% due Oct. 17, 2016	410,000	414,842
205,000	3.50% due Oct. 5, 2017	205,000	214,741
	Calloway Real Estate Investment Trust		
28,000	3.39% due Dec. 1, 2017	28,001	28,820
78,000	4.05% due Jul. 27, 2020	78,127	81,735
150,000	3.75% due Feb. 11, 2021	150,119	153,529
	Cameco Corporation		
45,000	4.70% due Sep. 16, 2015	45,150	46,885
290,000	5.67% due Sep. 2, 2019	291,230	327,765
130,000	3.75% due Nov. 14, 2022	129,990	130,859
	Cameco Corporation (callable)		
138,000	4.19% due Jun. 24, 2024-(Mar. 24, 2024)	137,945	139,644
	Canada Post Corporation		
356,000	4.36% due Jul. 16, 2040	414,123	419,350
	Canadian Credit Card Trust		
171,000	3.44% due Jul. 24, 2015	171,000	174,633
213,000	1.60% due Sep. 24, 2015	213,000	213,273
	Canadian Imperial Bank of Commerce		
419,000	1.75% due Jun. 1, 2016	418,677	419,948
580,000	2.65% due Nov. 8, 2016	581,192	592,094
395,000	3.95% due Jul. 14, 2017	400,026	419,449
685,000	2.35% due Oct. 18, 2017	685,809	693,581
465,000	2.22% due Mar. 7, 2018	463,031	468,496
	Canadian Imperial Bank of Commerce (callable)		
188,000	6.00% due Jun. 6, 2023-(2018)	205,835	214,445
	Canadian Imperial Bank of Commerce		
261,000	2.35% due Jun. 24, 2019	260,768	261,290
500,000	3.15% due Nov. 2, 2020	498,945	509,779
	Canadian National Railway Company (callable)		
80,000	2.75% due Feb. 18, 2021-(Jan. 18, 2021)	79,475	81,079
	Canadian Natural Resources Limited		
55,000	3.05% due Jun. 19, 2019	54,965	56,426

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Canadian Natural Resources Limited (cont'd)		
171,000	2.60% due Dec. 3, 2019	170,696	171,329
50,000	2.89% due Aug. 14, 2020	50,002	50,474
	Canadian Natural Resources Limited (callable)		
231,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	230,152	231,536
	Canadian Pacific Railway Company		
170,000	6.25% due Jun. 1, 2018	191,140	195,600
60,000	5.10% due Jan. 14, 2022	60,079	68,162
100,000	6.45% due Nov. 17, 2039	105,663	129,862
	Canadian Real Estate Investment Trust		
46,000	3.68% due Jul. 24, 2018	46,000	47,354
29,000	4.32% due Jan. 15, 2021	29,000	30,250
	Canadian Tire Corporation, Limited		
105,000	6.32% due Feb. 24, 2034	110,230	126,428
55,000	5.61% due Sep. 4, 2035	57,054	61,449
	Canadian Utilities Limited		
100,000	6.15% due Nov. 22, 2017	117,890	113,732
160,000	6.80% due Aug. 13, 2019	202,432	194,301
35,000	9.92% due Apr. 1, 2022	54,540	50,857
100,000	3.12% due Nov. 9, 2022	100,000	101,149
	Canadian Western Bank		
103,000	2.38% due Sep. 14, 2015	103,000	104,012
	Canadian Western Bank (callable)		
99,000	4.39% due Nov. 30, 2020-(2015)	99,000	102,279
	Canadian Western Bank		
67,000	3.05% due Jan. 18, 2017	67,000	68,903
108,000	2.10% due Jun. 26, 2017	108,000	108,259
19,000	3.08% due Jan. 14, 2019	19,000	19,535
	Capital City Link General Partnership		
148,000	4.39% due Mar. 31, 2046	148,006	150,068
	Capital Desjardins Inc. (callable)		
425,000	3.80% due Nov. 23, 2020-(2015)	425,000	437,261
200,000	5.54% due Jun. 1, 2021-(2016)	200,000	214,030
	Capital Desjardins Inc.		
160,000	5.19% due May 5, 2020	175,264	181,868
85,000	4.95% due Dec. 15, 2021	85,000	95,833
	Capital Power L.P.		
117,000	4.85% due Feb. 21, 2019	116,863	126,042
130,000	5.28% due Nov. 16, 2020	130,000	143,137
	Cards II Trust		
186,000	3.10% due Sep. 15, 2015	190,276	189,634
555,000	1.98% due Jan. 15, 2016	555,000	558,730
	Caterpillar Financial Services Limited		
83,000	2.12% due Nov. 25, 2016	82,990	83,747
100,000	2.63% due Jun. 1, 2017	99,977	102,303
110,000	2.29% due Jun. 1, 2018	109,979	110,722
	CBC Monetization Trust		
81,608	4.69% due May 15, 2027	81,608	92,248
	CDP Financial Inc.		
220,000	4.60% due Jul. 15, 2020	219,547	247,282
	Central 1 Credit Union (callable)		
110,000	2.89% due Apr. 25, 2024-(2019)	109,985	111,021
	Centre hospitalier de l'Université de Montréal		
38,000	4.45% due Oct. 1, 2049	38,002	38,999
	CHIP Mortgage Trust		
61,000	3.97% due Feb. 1, 2016	61,000	62,881
	Choice Properties LP		
10,000	3.00% due Apr. 20, 2017	10,222	10,233
33,000	3.00% due Sep. 20, 2019	32,938	33,210
178,000	3.60% due Apr. 20, 2020	181,861	183,399
25,000	3.60% due Sep. 20, 2021	25,049	25,371
	Choice Properties LP (callable)		
60,000	3.60% due Sep. 20, 2022-(Jun. 20, 2022)	58,973	59,856
	Choice Properties Real Estate Investment Trust		
70,000	3.00% due Apr. 20, 2016	71,359	71,293
120,000	3.55% due Jul. 5, 2018	120,000	125,084
55,000	3.50% due Feb. 8, 2021	55,000	55,993
	Choice Properties Real Estate Investment Trust (callable)		
35,000	4.90% due Jul. 5, 2023-(Apr. 5, 2023)	35,000	38,045
135,000	4.29% due Feb. 8, 2024-(Nov. 8, 2023)	135,000	139,580
	CIBC Capital Trust		
409,000	3.40% due Jan. 14, 2016	421,403	420,635
	CIBC Capital Trust (callable)		
670,000	9.98% due Jun. 30, 2108-(2019)	792,655	878,940
435,000	10.25% due Jun. 30, 2108-(2039)	644,348	643,015
	Cogeco Cable Inc.		
90,000	5.15% due Nov. 16, 2020	89,826	100,480
91,000	4.93% due Feb. 14, 2022	91,035	99,948
	Cogeco Cable Inc. (callable)		
75,000	4.18% due May 26, 2023-(Feb. 27, 2023)	75,055	77,223
	Comber Wind Financial Corporation		
211,005	5.13% due Nov. 15, 2030	210,988	216,582
	Cominar Real Estate Investment Trust		
265,000	4.23% due Dec. 4, 2019	262,848	270,290
72,000	4.94% due Jul. 27, 2020	72,710	75,250
	Concordia University		
30,000	6.55% due Sep. 2, 2042	29,996	39,720
	Crombie Real Estate Investment Trust		
72,000	3.99% due Oct. 31, 2018	72,000	74,926
39,000	3.96% due Jun. 1, 2021	39,153	39,783
	CU Inc.		
20,000	5.43% due Jan. 23, 2019	20,000	22,766
54,000	4.80% due Nov. 22, 2021	59,387	61,424
40,000	5.56% due May 26, 2028	43,095	48,328
31,000	5.18% due Nov. 21, 2035	31,000	35,761
28,000	5.03% due Nov. 20, 2036	28,000	31,801
113,000	5.56% due Oct. 30, 2037	114,575	137,438
100,000	5.58% due May 26, 2038	121,153	122,379
179,000	4.54% due Oct. 24, 2041	187,095	191,754
145,000	3.81% due Sep. 10, 2042	145,000	137,643
198,000	4.72% due Mar. 9, 2043	198,000	218,186
80,000	4.95% due Nov. 18, 2050	80,000	91,732
45,000	4.59% due Oct. 24, 2061	45,000	48,929
105,000	3.83% due Sep. 11, 2062	105,000	97,899
	Cu Inc. (callable)		
39,000	4.56% due Nov. 7, 2053-(May 7, 2053)	39,000	42,055
	Daimler Canada Finance Inc.		
200,000	2.33% due Sep. 14, 2015	199,994	201,869
255,000	2.23% due Apr. 18, 2016	255,005	257,593
152,000	3.28% due Sep. 15, 2016	152,000	156,944
115,000	2.27% due Mar. 26, 2018	114,991	115,680
	Dollarama Inc.		
74,000	3.10% due Nov. 5, 2018	74,000	75,572
	Dream Office Real Estate Investment Trust		
70,000	4.07% due Jan. 21, 2020	70,015	71,475
	Duke Energy Corporation		
85,000	8.50% due Nov. 23, 2015	102,891	92,645
100,000	8.75% due Aug. 3, 2018	133,700	124,254
	Eagle Credit Card Trust		
86,000	2.85% due Oct. 17, 2018	86,000	88,288
	Emera Inc.		
102,000	2.96% due Dec. 13, 2016	102,426	104,558
45,000	4.83% due Dec. 2, 2019	48,452	49,477
	Empire Life Insurance Company, The (callable)		
76,000	2.87% due May 31, 2023-(2018)	76,000	77,106
	Enbridge Gas Distribution Inc.		
70,000	5.16% due Dec. 4, 2017	80,111	77,462

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Enbridge Gas Distribution Inc. (cont'd)		
153,000	4.04% due Nov. 23, 2020	161,199	166,467
32,000	4.77% due Dec. 17, 2021	36,104	36,278
70,000	7.60% due Oct. 29, 2026	91,571	96,369
50,000	6.90% due Nov. 15, 2032	62,313	68,457
50,000	5.21% due Feb. 25, 2036	49,932	58,395
63,000	4.50% due Nov. 23, 2043	62,958	67,350
	Enbridge Inc.		
150,000	5.17% due May 19, 2016	149,913	159,491
70,000	5.00% due Aug. 9, 2016	69,684	74,667
150,000	4.77% due Sep. 2, 2019	149,930	166,346
95,000	4.53% due Mar. 9, 2020	94,985	104,619
65,000	4.26% due Feb. 1, 2021	64,971	70,561
125,000	3.19% due Dec. 5, 2022	124,915	125,404
63,000	7.22% due Jul. 24, 2030	77,413	84,179
84,000	7.20% due Jun. 18, 2032	113,870	114,443
24,000	5.57% due Nov. 14, 2035	23,969	28,113
83,000	5.75% due Sep. 2, 2039	83,743	100,601
35,000	5.12% due Sep. 28, 2040	38,190	39,153
128,000	4.24% due Aug. 27, 2042	125,720	125,760
55,000	4.57% due Mar. 11, 2044	54,937	57,015
151,000	4.95% due Nov. 22, 2050	156,114	174,647
	Enbridge Inc. (callable)		
188,000	3.94% due Jun. 30, 2023-(Mar. 30, 2023)	188,000	197,138
48,000	4.56% due Mar. 28, 2064-(Sep. 28, 2063)	47,963	49,830
	Enbridge Income Fund		
89,000	4.10% due Feb. 22, 2019	88,829	94,860
150,000	4.85% due Feb. 22, 2022	149,813	166,392
	Enbridge Pipelines Inc.		
130,000	6.62% due Nov. 19, 2018	161,509	154,176
60,000	3.79% due Aug. 17, 2023	59,980	63,208
72,000	6.35% due Nov. 17, 2023	82,178	90,145
200,000	8.20% due Feb. 15, 2024	289,186	278,189
96,000	6.10% due Jul. 14, 2028	82,368	113,697
26,000	5.08% due Dec. 19, 2036	25,980	29,845
125,000	5.33% due Apr. 6, 2040	145,875	149,497
133,000	4.55% due Aug. 17, 2043	132,914	143,069
	EnCana Corporation		
280,000	5.80% due Jan. 18, 2018	306,811	315,070
	EnerCare Solutions Inc.		
72,000	4.30% due Nov. 30, 2017	71,941	75,772
120,000	4.60% due Feb. 3, 2020	119,928	127,693
	Enersource Corporation		
35,000	4.52% due Apr. 29, 2021	35,000	38,613
60,000	5.30% due Apr. 29, 2041	60,000	70,152
	EPCOR Utilities Inc.		
240,000	5.80% due Jan. 31, 2018	270,789	270,458
33,000	5.65% due Nov. 16, 2035	32,830	39,698
100,000	6.65% due Apr. 15, 2038	110,800	136,479
85,000	5.75% due Nov. 24, 2039	89,719	105,252
95,000	4.55% due Feb. 28, 2042	94,953	100,368
	Equitable Bank		
25,000	2.60% due Apr. 7, 2017	25,000	25,159
	ERAC Canada Finance Ltd.		
45,000	5.38% due Feb. 26, 2016	44,969	47,032
	Fairfax Financial Holdings Limited		
416,000	5.84% due Oct. 14, 2022	421,123	457,519
	Finning International Inc.		
75,000	5.08% due Jun. 13, 2042	75,000	79,778
	First Capital Realty Inc.		
45,000	5.48% due Jul. 30, 2019	45,042	50,535
88,000	4.50% due Mar. 1, 2021	88,341	94,609
78,000	4.43% due Jan. 31, 2022	78,464	83,127
29,000	4.79% due Aug. 30, 2024	29,133	30,820
	Ford Credit Canada Limited		
325,000	3.32% due Dec. 19, 2017	324,867	335,609
276,000	3.70% due Aug. 2, 2018	276,000	288,571
440,000	2.94% due Feb. 19, 2019	440,000	445,252
	Fortis Inc.		
70,000	6.51% due Jul. 4, 2039	69,954	93,513
141,000	4.25% due Dec. 9, 2041	145,565	144,068
	FortisAlberta Inc.		
30,000	6.22% due Oct. 31, 2034	29,991	38,785
18,000	5.40% due Apr. 21, 2036	17,987	21,311
45,000	7.06% due Feb. 14, 2039	58,037	64,983
75,000	5.37% due Oct. 30, 2039	74,967	89,562
42,000	4.80% due Oct. 27, 2050	41,970	47,137
80,000	3.98% due Oct. 23, 2052	79,952	77,119
	FortisAlberta Inc. (callable)		
65,000	4.85% due Sep. 11, 2043-(Mar. 11, 2043)	64,929	73,035
	FortisBC Inc.		
116,000	5.60% due Nov. 9, 2035	139,640	138,872
15,000	5.00% due Nov. 24, 2050	14,974	17,069
	Gaz Metro Inc.		
238,000	4.93% due Jun. 18, 2019	267,235	266,470
66,000	5.45% due Jul. 12, 2021	76,816	77,282
30,000	6.30% due Oct. 31, 2033	29,824	38,669
29,000	5.70% due Jul. 10, 2036	28,954	35,519
	GE Capital Canada Funding Company		
312,000	5.10% due Jun. 1, 2016	338,298	332,285
146,000	4.55% due Jan. 17, 2017	134,991	156,042
475,000	5.53% due Aug. 17, 2017	472,988	527,069
270,000	4.40% due Feb. 8, 2018	281,950	292,211
365,000	5.68% due Sep. 10, 2019	382,143	424,053
	General Electric Capital Corporation		
205,000	2.42% due May 31, 2018	204,990	207,650
160,000	3.55% due Jun. 11, 2019	159,637	169,322
247,000	4.60% due Jan. 26, 2022	246,941	275,909
	General Electric Company		
155,000	3.35% due Nov. 23, 2016	158,730	160,886
	Genesis Trust II		
384,000	2.30% due Feb. 15, 2017	384,000	389,126
360,000	2.43% due May 15, 2019	360,000	362,820
	Genworth MI Canada Inc.		
120,000	4.24% due Apr. 1, 2024	120,000	124,237
	George Weston Limited		
120,000	3.78% due Oct. 25, 2016	122,905	125,193
150,000	7.10% due Feb. 5, 2032	168,992	187,247
	George Weston Ltd.		
58,000	4.12% due Jun. 17, 2024	58,000	58,865
	Glacier Credit Card Trust		
210,000	3.16% due Nov. 20, 2015	210,000	214,555
164,000	2.81% due May 20, 2017	164,000	168,380
285,000	2.39% due Oct. 20, 2017	285,000	288,699
144,000	2.76% due Nov. 20, 2018	144,000	147,081
	Golden Credit Card Trust		
335,000	3.51% due May 15, 2016	342,942	346,625
	GrandLinq GP		
24,000	4.77% due Mar. 31, 2047	24,000	24,422
	Granite Real Estate Investment Trust		
74,000	4.61% due Oct. 2, 2018	74,000	78,142
	Granite Real Estate Investment Trust (callable)		
58,000	3.79% due Jul. 5, 2021-(Jun. 5, 2021)	58,000	58,504
	Great-West Lifeco Finance (Delaware) LP		
200,000	5.69% due Jun. 21, 2017	198,780	220,832
	Great-West Lifeco Inc.		
85,000	6.14% due Mar. 21, 2018	96,934	97,234
180,000	7.13% due Jun. 26, 2018	202,021	213,099

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Great-West Lifeco Inc. (cont'd)		
168,000	4.65% due Aug. 13, 2020	175,948	187,075
100,000	6.74% due Nov. 24, 2031	99,885	131,157
190,000	6.67% due Mar. 21, 2033	212,812	249,816
150,000	5.00% due Nov. 16, 2039	160,180	189,791
	Greater Toronto Airports Authority		
85,000	4.70% due Feb. 15, 2016	84,937	89,410
175,000	4.85% due Jun. 1, 2017	195,778	190,330
220,000	5.26% due Apr. 17, 2018	251,583	246,100
250,000	5.96% due Nov. 20, 2019	249,943	295,440
255,000	3.04% due Sep. 21, 2022	254,977	258,863
49,000	6.45% due Dec. 3, 2027	51,685	63,829
108,000	7.05% due Jun. 12, 2030	132,143	147,771
99,000	7.10% due Jun. 4, 2031	116,897	136,377
130,000	6.98% due Oct. 15, 2032	184,015	180,833
100,000	6.47% due Feb. 2, 2034	99,316	132,979
125,000	5.63% due Jun. 7, 2040	124,874	155,693
175,000	5.30% due Feb. 25, 2041	199,512	209,075
189,000	4.53% due Dec. 2, 2041	191,087	202,915
	H&R Real Estate Investment Trust		
55,000	4.78% due Jul. 27, 2016	55,111	57,923
80,000	3.34% due Jun. 20, 2018	80,073	81,891
90,000	4.45% due Mar. 2, 2020	90,063	95,585
	Halifax International Airport Authority		
83,000	5.50% due Jul. 19, 2041	96,851	100,797
48,000	4.89% due Nov. 15, 2050	47,999	53,887
	Health Montreal Collective Limited Partnership		
550,000	6.72% due Sep. 30, 2049	658,900	711,167
	Hollis Receivables Term Trust		
214,000	2.24% due Sep. 26, 2016	214,000	216,466
273,000	2.43% due Jun. 26, 2019	273,000	274,159
	Home Trust Company		
141,000	2.35% due May 24, 2017	140,968	141,035
41,000	3.40% due Dec. 10, 2018	40,985	42,089
	Honda Canada Finance Inc.		
222,000	2.28% due Dec. 11, 2017	222,000	224,492
138,000	2.35% due Jun. 4, 2018	138,000	139,327
	Hospital for Sick Children		
150,000	5.22% due Dec. 16, 2049	150,000	173,029
	Hospital Infrastructure Partners (NOH) Partnership		
195,000	5.44% due Jan. 31, 2045	201,560	225,800
	HSBC Bank of Canada		
257,000	2.57% due Nov. 23, 2015	257,000	260,634
662,000	2.90% due Jan. 13, 2017	664,435	679,591
405,000	3.56% due Oct. 4, 2017	411,563	425,164
320,000	2.49% due May 13, 2019	320,000	321,937
400,000	2.94% due Jan. 14, 2020	400,000	409,053
	HSBC Canada Asset Trust (callable)		
30,000	5.15% due Jun. 30, 2049-(2015)	30,000	30,969
	Husky Energy Inc.		
105,000	5.00% due Mar. 12, 2020	105,798	117,874
	Hydro One Inc.		
170,000	2.95% due Sep. 11, 2015	169,288	173,325
129,000	4.64% due Mar. 3, 2016	128,705	135,779
310,000	5.18% due Oct. 18, 2017	333,191	342,780
354,000	2.78% due Oct. 9, 2018	353,982	364,155
110,000	4.40% due Jun. 1, 2020	113,740	122,054
269,000	3.20% due Jan. 13, 2022	270,797	277,245
135,000	7.35% due Jun. 3, 2030	156,842	188,130
115,000	6.93% due Jun. 1, 2032	138,865	157,976
20,000	6.35% due Jan. 31, 2034	20,151	26,121
99,000	5.36% due May 20, 2036	113,144	117,325
50,000	4.89% due Mar. 13, 2037	55,732	55,939
145,000	6.03% due Mar. 3, 2039	162,245	187,808

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Hydro One Inc. (cont'd)		
51,000	5.49% due Jul. 16, 2040	52,799	62,249
35,000	5.00% due Oct. 19, 2046	34,126	40,475
63,000	4.00% due Dec. 22, 2051	63,011	61,319
123,000	3.79% due Jul. 31, 2062	122,642	114,237
	Hydro One Inc. (callable)		
48,000	4.59% due Oct. 9, 2043-(Apr. 9, 2043)	47,992	51,934
71,000	4.17% due Jun. 6, 2044-(Dec. 6, 2043)	70,928	71,867
	IGM Financial Inc.		
50,000	6.58% due Mar. 7, 2018	57,669	57,464
250,000	7.35% due Apr. 8, 2019	289,091	302,324
	InPower BC General Partnership		
119,000	4.47% due Mar. 31, 2033	118,284	122,346
	Intact Financial Corporation		
75,000	5.41% due Sep. 3, 2019	80,292	85,143
90,000	4.70% due Aug. 18, 2021	92,510	99,767
59,000	6.40% due Nov. 23, 2039	61,785	74,822
102,000	5.16% due Jun. 16, 2042	101,907	111,605
	Integrated Team Solutions SJHC Partnership		
66,000	2.24% due May 31, 2018	66,000	66,357
50,000	5.95% due Nov. 30, 2042	50,000	59,895
30,000	4.88% due May 31, 2046	30,000	31,603
	Inter Pipeline Fund		
70,000	3.84% due Jul. 30, 2018	70,000	74,028
178,000	3.45% due Jul. 20, 2020	178,000	184,655
125,000	4.97% due Feb. 2, 2021	125,000	140,140
188,000	3.78% due May 30, 2022	188,000	195,534
	Inter Pipeline Ltd. (callable)		
60,000	4.64% due May 30, 2044-(Nov. 30, 2043)	60,000	61,233
	Inter-American Development Bank		
464,000	4.40% due Jan. 26, 2026	509,623	516,524
	Investors Group Inc.		
60,000	7.45% due May 9, 2031	63,120	80,202
50,000	7.11% due Mar. 7, 2033	50,229	65,733
	John Deere Canada Funding Inc.		
100,000	1.95% due Jan. 14, 2016	99,858	100,680
94,000	1.95% due Apr. 12, 2017	93,935	94,408
54,000	2.65% due Jul. 16, 2018	53,993	55,125
131,000	2.35% due Jun. 24, 2019	130,859	130,969
	John Deere Credit Inc.		
150,000	5.45% due Sep. 16, 2015	168,375	157,164
100,000	2.30% due Jul. 5, 2016	99,977	101,239
	Laurentian Bank of Canada (callable)		
90,000	3.70% due Nov. 2, 2020-(2015)	89,760	92,047
110,000	3.13% due Oct. 19, 2022-(2017)	110,000	112,259
	Leisureworld Senior Care LP Series B Restricted		
199,000	3.47% due Feb. 3, 2021	199,000	203,777
	Loblaw Companies Limited		
75,000	7.10% due Jun. 1, 2016	85,117	82,503
200,000	3.75% due Mar. 12, 2019	200,000	210,599
300,000	6.65% due Nov. 8, 2027	294,403	365,150
50,000	6.85% due Mar. 1, 2032	53,885	62,144
44,000	6.54% due Feb. 17, 2033	51,097	53,405
100,000	6.15% due Jan. 29, 2035	104,611	117,445
60,000	5.90% due Jan. 18, 2036	59,915	68,967
45,000	6.45% due Mar. 1, 2039	48,983	55,607
	Loblaw Companies Limited (callable)		
122,000	4.86% due Sep. 12, 2023-(Jun. 12, 2023)	122,000	133,198
	Lower Mattagami Energy Limited Partnership		
125,000	2.23% due Oct. 23, 2017	125,000	126,293
72,000	4.33% due May 18, 2021	76,375	79,123
117,000	3.42% due Jun. 20, 2024	117,000	118,435
81,000	5.14% due May 18, 2041	81,000	93,829
110,000	4.18% due Feb. 23, 2046	110,000	110,238
114,000	4.18% due Apr. 23, 2052	114,000	114,040

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Manitoba Telecom Services Inc.		
115,000	4.59% due Oct. 1, 2018	121,594	124,392
100,000	5.63% due Dec. 16, 2019	108,628	114,007
	Manufacturers Life Insurance Company (callable)		
215,000	4.21% due Nov. 18, 2021-(2016)	215,000	226,490
147,000	2.82% due Feb. 26, 2023-(2018)	147,000	150,099
28,000	2.93% due Nov. 29, 2023-(2018)	28,000	28,580
	Manulife Bank of Canada		
54,000	2.38% due Oct. 17, 2016	54,000	54,655
	Manulife Bank of Canada (callable)		
90,000	2.81% due Feb. 21, 2024-(2019)	90,000	91,299
	Manulife Financial (Delaware) LP (callable)		
100,000	4.45% due Dec. 15, 2026-(2016)	100,000	105,980
230,000	5.06% due Dec. 15, 2041-(2036)	209,998	247,360
	Manulife Financial Capital Trust II (callable)		
250,000	7.41% due Dec. 31, 2108-(2019)	267,432	306,696
	Manulife Financial Corporation		
200,000	5.16% due Jun. 26, 2015	210,506	207,045
203,000	4.08% due Aug. 20, 2015	205,529	208,655
	Manulife Financial Corporation (callable)		
155,000	4.17% due Jun. 1, 2022-(2017)	155,000	164,558
	Manulife Financial Corporation		
200,000	5.51% due Jun. 26, 2018	211,778	224,360
190,000	7.77% due Apr. 8, 2019	209,891	233,813
	Maritime Link Financing Trust		
406,000	3.50% due Dec. 1, 2052	404,624	413,598
	Master Credit Card Trust		
250,000	3.50% due May 21, 2016	250,000	258,583
305,000	2.63% due Jan. 21, 2017	306,605	311,333
148,000	2.72% due Nov. 21, 2018	148,000	151,386
	MCAP Commercial LP		
60,000	3.96% due Mar. 11, 2019	60,000	60,692
	McGill University		
93,000	5.36% due Dec. 31, 2043	92,959	108,318
	McMaster University		
20,000	6.15% due Oct. 7, 2052	19,981	26,915
	METRO Inc.		
180,000	4.98% due Oct. 15, 2015	193,444	187,425
140,000	5.97% due Oct. 15, 2035	144,460	159,657
	Milit-Air Inc.		
27,991	5.75% due Jun. 30, 2019	26,521	30,540
	Molson Coors Capital Finance ULC		
320,000	5.00% due Sep. 22, 2015	319,203	332,976
	National Bank of Canada (callable)		
125,000	4.70% due Nov. 2, 2020 -(2015)	133,875	129,928
	National Bank of Canada		
400,000	2.05% due Jan. 11, 2016	400,000	403,088
240,000	3.58% due Apr. 26, 2016	240,000	248,267
469,000	2.70% due Dec. 15, 2016	471,088	479,408
	National Bank of Canada (callable)		
453,000	3.26% due Apr. 11, 2022-(2017)	453,000	468,260
	National Bank of Canada		
393,000	2.69% due Aug. 21, 2017	393,000	401,798
289,000	2.79% due Aug. 9, 2018	289,000	295,890
	NAV Canada		
80,000	4.71% due Feb. 24, 2016	80,000	84,173
175,000	1.95% due Apr. 19, 2018	175,000	175,275
200,000	5.30% due Apr. 17, 2019	229,842	228,559
95,000	4.40% due Feb. 18, 2021	95,000	105,644
161,850	7.56% due Mar. 1, 2027	200,853	207,393
30,000	7.40% due Jun. 1, 2027	33,804	41,944
	NBC Asset Trust (callable)		
500,000	7.45% due Jun. 30, 2049-(2020)	529,850	617,019
	North Battleford Power		
235,750	4.96% due Dec. 31, 2032	235,767	255,905
	NOVA Gas Transmission Ltd.		
200,000	12.20% due Feb. 28, 2016	273,960	233,598
15,000	9.90% due Dec. 16, 2024	19,238	22,984
	Nova Scotia Power Inc.		
100,000	6.95% due Aug. 25, 2033	105,394	137,057
43,000	5.67% due Nov. 14, 2035	47,032	51,953
101,000	5.95% due Jul. 27, 2039	120,307	127,936
110,000	5.61% due Jun. 15, 2040	132,862	134,112
45,000	4.15% due Mar. 6, 2042	44,962	44,559
128,000	4.50% due Jul. 20, 2043	127,228	134,134
	Omers Realty Corporation		
110,000	2.50% due Jun. 5, 2018	110,000	111,738
150,000	3.36% due Jun. 5, 2023	150,000	152,522
	OPB Finance Trust		
152,000	2.90% due May 24, 2023	151,895	150,111
	Pembina Pipeline Corp. (callable)		
35,000	4.75% due Apr. 30, 2043-(Oct. 30, 2042)	34,917	36,093
	Pembina Pipeline Corporation		
114,000	4.89% due Mar. 29, 2021	121,883	127,218
150,000	3.77% due Oct. 24, 2022	149,975	155,471
145,000	4.81% due Mar. 25, 2044	144,865	150,469
	Penske Truck Leasing Canada		
200,000	3.65% due Feb. 1, 2018	199,774	207,146
	Plenary Health Care Partnerships Humber LP		
277,000	2.63% due May 18, 2015	276,885	279,703
130,000	4.90% due May 31, 2039	130,000	138,972
	Plenary Health Hamilton LP		
84,917	5.80% due May 31, 2043	84,917	100,877
74,000	4.82% due Nov. 30, 2044	74,596	78,127
	Plenary Properties LTAP LP		
419,000	6.29% due Jan. 31, 2044	484,731	534,043
	Power Corporation of Canada		
200,000	8.57% due Apr. 22, 2039	199,848	311,294
	Power Financial Corporation		
150,000	6.90% due Mar. 11, 2033	177,642	196,440
	Powerstream Inc.		
105,000	3.96% due Jul. 30, 2042	105,000	101,220
	PSP Capital Inc.		
400,000	2.94% due Dec. 3, 2015	399,832	409,313
184,000	2.26% due Feb. 16, 2017	183,948	187,808
191,000	3.03% due Oct. 22, 2020	191,381	198,798
117,000	3.29% due Apr. 4, 2024	116,940	119,918
	RBC Capital Trust		
550,000	4.87% due Dec. 31, 2015	538,638	575,349
	RBC Capital Trust (callable)		
100,000	6.82% due Jun. 30, 2049 -(2018)	100,000	117,038
	Reliance LP		
100,000	4.57% due Mar. 15, 2017	100,000	105,284
	RioCan Real Estate Investment Trust		
75,000	4.50% due Jan. 21, 2016	75,056	78,108
25,000	2.87% due Mar. 5, 2018	25,066	25,352
57,000	3.85% due Jun. 28, 2019	57,191	59,640
69,000	3.62% due Jun. 1, 2020	69,135	71,092
117,000	3.72% due Dec. 13, 2021	117,284	119,075
60,000	3.75% due May 30, 2022	60,000	60,657
110,000	3.73% due Apr. 18, 2023	110,201	109,475
	Rogers Communications Inc.		
362,000	5.80% due May 26, 2016	361,157	388,637
249,000	3.00% due Jun. 6, 2017	248,803	256,030
150,000	2.80% due Mar. 13, 2019	149,958	151,713
395,000	4.70% due Sep. 29, 2020	402,926	434,380
275,000	5.34% due Mar. 22, 2021	287,535	311,888
199,000	4.00% due Jun. 6, 2022	198,204	207,677
155,000	6.68% due Nov. 4, 2039	161,006	194,930

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Rogers Communications Inc .(cont'd)		
119,000	6.11% due Aug. 25, 2040	119,873	140,137
170,000	6.56% due Mar. 22, 2041	188,468	211,896
	Rogers Communications Inc. (callable)		
167,000	4.00% due Mar. 13, 2024-(Dec. 13, 2023)	166,509	170,708
	Royal Bank of Canada (callable)		
540,000	3.18% due Nov. 2, 2020-(2015)	543,543	550,872
655,000	2.99% due Dec. 6, 2024-(2019)	655,000	669,524
	Royal Bank of Canada		
725,000	3.36% due Jan. 11, 2016	723,809	745,342
301,000	2.07% due Jun. 17, 2016	300,931	303,523
670,000	3.03% due Jul. 26, 2016	677,105	688,628
158,000	2.68% due Dec. 8, 2016	158,499	161,573
710,000	3.66% due Jan. 25, 2017	745,117	743,229
680,000	2.58% due Apr. 13, 2017	679,905	694,060
615,000	2.36% due Sep. 21, 2017	615,000	622,985
900,000	2.26% due Mar. 12, 2018	902,916	907,709
380,000	3.77% due Mar. 30, 2018	379,954	405,447
406,000	2.82% due Jul. 12, 2018	405,907	416,590
665,000	2.77% due Dec. 11, 2018	664,721	680,268
413,000	2.98% due May 7, 2019	413,000	426,410
150,000	4.93% due Jul. 16, 2025	162,873	173,299
	Royal Office Finance LP		
300,820	5.21% due Nov. 12, 2032	304,503	355,512
	Shaw Communications Inc.		
125,000	6.15% due May 9, 2016	140,773	134,681
140,000	5.70% due Mar. 2, 2017	154,490	153,333
305,000	5.65% due Oct. 1, 2019	310,380	347,610
223,000	5.50% due Dec. 7, 2020	229,763	254,256
424,000	6.75% due Nov. 9, 2039	421,795	516,936
	Shoppers Drug Mart Corporation		
60,000	2.01% due May 24, 2016	59,988	60,319
130,000	2.36% due May 24, 2018	129,951	130,580
	Simon Fraser University		
50,000	5.61% due Jun. 10, 2043	50,000	62,022
	SNC-Lavalin Group Inc.		
119,000	6.19% due Jul. 3, 2019	129,068	137,302
	Sobeys Inc.		
140,000	3.52% due Aug. 8, 2018	139,943	145,057
220,000	4.70% due Aug. 8, 2023	220,000	234,638
47,000	6.64% due Jun. 7, 2040	46,976	56,783
	South Coast British Columbia Transportation Authority		
100,000	3.80% due Nov. 2, 2020	99,926	107,069
	Standard Life Canada (callable)		
215,000	3.94% due Sep. 21, 2022 -(2017)	215,000	226,519
	Sun Life Capital Trust II		
150,000	5.86% due Dec. 31, 2019	152,567	173,068
	Sun Life Financial Inc. (callable)		
95,000	4.80% due Nov. 23, 2035-(2015)	94,985	98,951
	Sun Life Financial Inc.		
209,000	4.38% due Mar. 2, 2017	208,954	221,663
120,000	5.70% due Jul. 2, 2019	119,918	138,028
100,000	5.59% due Jan. 30, 2023	108,557	111,091
	Sun Life Financial Inc. (callable)		
292,000	4.95% due Jun. 1, 2036-(2016)	297,379	308,350
227,000	5.40% due May 29, 2042-(2037)	212,440	257,026
	Suncor Energy, Inc.		
265,000	5.80% due May 22, 2018	293,281	300,530
95,000	5.39% due Mar. 26, 2037	100,320	108,083
	TD Capital Trust (callable)		
491,000	6.63% due Jun. 30, 2108-(2021)	540,519	595,340
	TD Capital Trust III (callable)		
300,000	7.24% due Dec. 31, 2049-(2018)	300,000	359,541
	TD Capital Trust IV (callable)		
274,000	9.52% due Jun. 30, 2108-(2019)	349,191	356,503
260,000	10.00% due Jun. 30, 2108-(2039)	332,196	377,341
	Telus Communication Inc.		
32,000	10.65% due Jun. 19, 2021	41,509	46,707
290,000	9.65% due Apr. 8, 2022	400,406	408,445
	TELUS Corporation		
225,000	3.65% due May 25, 2016	230,625	233,095
250,000	4.95% due Mar. 15, 2017	235,000	270,141
69,000	5.05% due Dec. 4, 2019	68,599	77,285
175,000	5.05% due Jul. 23, 2020	190,264	196,721
215,000	3.20% due Apr. 5, 2021	214,439	218,158
170,000	4.85% due Apr. 5, 2044	169,786	175,803
	TELUS Corporation (callable)		
140,000	3.35% due Mar. 15, 2023-(Dec. 15, 2022)	139,836	139,809
115,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	114,350	112,978
205,000	4.40% due Apr. 1, 2043-(Oct. 1, 2042)	204,524	198,432
91,000	5.15% due Nov. 26, 2043-(May 26, 2043)	90,545	98,522
	Teranet Holdings LP		
170,000	3.53% due Dec. 16, 2015	170,332	174,377
170,000	4.81% due Dec. 16, 2020	170,818	187,100
120,000	5.75% due Dec. 17, 2040	123,553	133,872
90,000	6.10% due Jun. 17, 2041	89,960	105,450
	Terasen Gas Inc.		
75,000	5.90% due Feb. 26, 2035	86,067	93,505
20,000	5.55% due Sep. 25, 2036	19,997	24,130
85,000	6.00% due Oct. 2, 2037	95,002	108,763
35,000	6.05% due Feb. 15, 2038	34,976	44,963
75,000	5.80% due May 13, 2038	78,971	94,130
60,000	5.20% due Dec. 6, 2040	59,828	70,186
	Thomson Reuters Corporation		
350,000	5.70% due Jul. 15, 2015	390,404	364,671
250,000	6.00% due Mar. 31, 2016	278,590	267,425
247,000	4.35% due Sep. 30, 2020	253,668	266,700
	THP Partnership		
41,000	4.39% due Oct. 31, 2046	41,000	40,708
	Tim Hortons Inc.		
120,000	2.85% due Apr. 1, 2019	119,966	121,320
	Tim Hortons, Inc.		
63,000	4.20% due Jun. 1, 2017	62,989	66,867
	Tim Hortons, Inc. (callable)		
43,000	4.52% due Dec. 1, 2023-(Sep. 1, 2023)	42,990	45,464
	TMX Group Inc.		
137,000	3.25% due Oct. 3, 2018	137,000	142,292
	TMX Group Ltd. (callable)		
143,000	4.46% due Oct. 3, 2023-(Aug. 3, 2023)	143,000	153,164
	Toronto Community Housing Corporation Issuer Trust		
50,000	4.88% due May 11, 2037	50,000	55,363
	Toronto Hydro Corporation		
100,000	5.15% due Nov. 14, 2017	114,432	110,573
100,000	4.49% due Nov. 12, 2019	110,473	110,629
108,000	3.54% due Nov. 18, 2021	107,946	113,653
40,000	5.54% due May 21, 2040	45,945	49,035
	Toronto Hydro Corporation (callable)		
93,000	2.91% due Apr. 10, 2023-(Jan. 10, 2023)	92,984	92,149
32,000	3.96% due Apr. 9, 2063-(Oct. 9, 2062)	31,965	30,525
	Toronto-Dominion Bank, The (callable)		
523,000	4.97% due Oct. 30, 2104-(2015)	540,006	545,179
335,000	3.37% due Nov. 2, 2020-(2015)	335,000	342,493
525,000	4.78% due Dec. 14, 2105-(2016)	556,427	560,670
447,000	5.76% due Dec. 18, 2106-(2017)	468,598	500,267
200,000	5.83% due Jul. 9, 2023-(2018)	227,800	227,580
	Toronto-Dominion Bank, The		
675,000	2.95% due Aug. 2, 2016	682,369	692,789

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Corporate Bonds (cont'd)			
	Toronto-Dominion Bank, The (cont'd)		
110,000	1.82% due Apr. 3, 2017	110,000	110,202
398,000	2.43% due Aug. 15, 2017	398,000	404,506
515,000	2.17% due Apr. 2, 2018	515,000	518,081
666,000	2.45% due Apr. 2, 2019	666,000	672,031
333,000	2.56% due Jun. 24, 2020	333,000	334,044
50,000	9.15% due May 26, 2025	62,200	75,292
	Toyota Credit Canada Inc.		
110,000	3.55% due Feb. 22, 2016	109,880	113,602
222,000	2.45% due Feb. 27, 2017	221,980	226,031
130,000	2.20% due Oct. 19, 2017	129,871	131,172
194,000	2.75% due Jul. 18, 2018	193,973	198,831
	TransAlta Corporation		
120,000	6.40% due Nov. 18, 2019	135,576	135,105
151,000	5.00% due Nov. 25, 2020	150,269	159,993
105,000	6.90% due Nov. 15, 2030	108,995	111,780
	TransCanada Corporation		
80,000	3.65% due Nov. 15, 2021	79,894	84,684
	TransCanada PipeLines Limited		
70,000	4.65% due Oct. 3, 2016	69,983	74,730
30,000	5.10% due Jan. 11, 2017	29,955	32,527
110,000	9.45% due Mar. 20, 2018	132,946	137,171
90,000	11.80% due Nov. 20, 2020	144,104	136,301
75,000	7.90% due Apr. 15, 2027	102,697	105,045
40,000	6.28% due May 26, 2028	35,490	49,436
65,000	7.34% due Jul. 18, 2028	67,506	87,784
50,000	6.50% due Dec. 9, 2030	57,417	63,160
120,000	8.23% due Jan. 16, 2031	140,932	175,884
125,000	8.05% due Feb. 17, 2039	170,059	197,021
180,000	4.55% due Nov. 15, 2041	180,656	191,327
	TransCanada PipeLines Ltd. (callable)		
109,000	3.69% due Jul. 19, 2023-(Apr. 19, 2023)	108,991	113,974
	TransLink		
65,000	4.65% due Jun. 20, 2041	64,938	72,160
54,000	4.45% due Jun. 9, 2044	53,875	58,617
159,000	3.85% due Feb. 9, 2052	158,141	155,589
	Trillium Windpower, LP		
60,586	5.80% due Feb. 15, 2033	60,586	63,968
	Union Gas Limited		
55,000	4.64% due Jun. 30, 2016	59,805	58,164
100,000	5.35% due Apr. 27, 2018	99,870	111,818
90,000	4.85% due Apr. 25, 2022	101,859	102,087
25,000	8.65% due Nov. 10, 2025	29,500	36,487
50,000	5.46% due Sep. 11, 2036	50,000	59,389
95,000	6.05% due Sep. 2, 2038	113,050	121,957
125,000	5.20% due Jul. 23, 2040	140,398	145,309
	Union Gas Ltd. (callable)		
70,000	2.76% due Jun. 2, 2021-(May 2, 2021)	69,978	70,130
96,000	3.79% due Jul. 10, 2023-(Apr. 10, 2023)	95,967	101,001
100,000	4.88% due Jun. 21, 2041 -(Dec. 21, 2040)	99,875	111,369
50,000	4.20% due Jun. 2, 2044-(Dec. 2, 2043)	49,966	50,162
	University of British Columbia		
20,000	4.82% due Jul. 26, 2035	20,000	22,063
	University of Guelph		
20,000	6.24% due Oct. 10, 2042	19,974	26,363
	University of Ontario Institute of Technology		
42,659	6.35% due Oct. 15, 2034	42,659	49,141
	University of Toronto		
75,000	4.25% due Dec. 7, 2051	73,301	76,144
	University of Western Ontario		
71,000	4.80% due May 24, 2047	71,955	76,854
	University of Windsor		
41,000	5.37% due Jun. 29, 2046	42,507	47,626
	Vancouver International Airport Authority		
220,000	4.42% due Dec. 7, 2018	238,367	240,890
	Veresen Inc.		
23,000	3.95% due Mar. 14, 2017	22,987	24,052
71,000	4.00% due Nov. 22, 2018	70,799	74,773
80,000	3.06% due Jun. 13, 2019	79,967	80,654
	VW Credit Canada, Inc.		
90,000	3.60% due Feb. 1, 2016	92,399	92,863
80,000	2.20% due Oct. 11, 2016	79,918	80,874
35,000	2.90% due Jun. 1, 2017	35,000	36,087
141,000	2.45% due Nov. 14, 2017	140,749	143,210
108,000	2.80% due Aug. 20, 2018	107,905	110,796
	Wells Fargo Financial Canada Corporation		
160,000	3.70% due Mar. 30, 2016	159,934	165,746
840,000	2.77% due Feb. 9, 2017	840,573	860,813
655,000	2.94% due Jul. 25, 2019	655,000	672,232
248,000	3.46% due Jan. 24, 2023	248,000	253,220
	West Edmonton Mall Property Inc.		
270,000	4.06% due Feb. 13, 2024	270,000	275,512
172,000	4.31% due Feb. 13, 2024	172,000	177,097
	Westcoast Energy Inc.		
123,000	3.28% due Jan. 15, 2016	122,893	126,123
81,000	4.57% due Jul. 2, 2020	86,749	88,874
50,000	7.15% due Mar. 20, 2031	50,325	66,921
50,000	4.79% due Oct. 28, 2041	55,109	53,651
	Wilfrid Laurier University		
20,000	5.43% due Feb. 1, 2045	20,000	23,854
	Winnipeg Airports Authority Inc.		
18,798	5.21% due Sep. 28, 2040	18,798	20,526
	York University		
100,000	6.48% due Mar. 7, 2042	99,972	136,881
	York University (callable)		
30,000	4.46% due Feb. 26, 2054-(Aug. 26, 2053)	30,000	31,593
	Yukon Development Corporation		
31,000	5.00% due Jun. 29, 2040	30,790	35,387
		111,545,582	116,876,111
	TOTAL INVESTMENT PORTFOLIO	341,904,567	351,267,830
	OTHER ASSETS, LESS LIABILITIES – 0.7%		2,651,993
	NET ASSETS – 100.0%		353,919,823

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

Scotia Canadian Bond Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a high level of regular interest income and modest capital gains by tracking the performance of a generally recognized Canadian bond index, currently the DEX Universe Bond Index. It invests primarily in bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations as well as money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$424,472,783	$650,972,635
Revaluation of Investments at FVTPL	423,139	588,886
Net assets attributable to holders of redeemable units	$424,895,922	$651,561,521

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(12,353,584)
Revaluation of Investments at FVTPL	(50,874)
Increase (decrease) in net assets attributable to holders of redeemable units	$(12,404,458)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2013	December 31, 2013	January 1, 2013
Less than 1 year	$ 1,587,302	$ 658,249	$ 4,926,031
1-3 years	80,237,559	101,031,010	170,975,113
3-5 years	67,659,542	81,721,837	117,027,613
5-10 years	96,202,701	120,359,391	166,842,870
> 10 years	105,580,726	116,718,885	187,914,985
Total	$351,267,830	$420,489,372	$647,686,612

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $6,303,351 or approximately 1.8% of total net assets attributable to holders of redeemable units (December 31, 2013 – $7,173,235 or approximately 1.7% net assets attributable to holders of redeemable units, January 1, 2013 – $11,272,761 or approximately 1.7% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	39.3	39.0	40.9	40.5	44.0	43.7
AA	26.7	26.5	26.9	26.5	25.6	25.5
A	27.3	27.1	26.2	26.0	26.4	26.2
BBB	6.7	6.7	6.0	6.0	4.0	4.0
Total	100.0	99.3	100.0	99.0	100.0	99.4

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$955,353	$ –	$338,099	$ –	$1,798,876
Unrealized loss on currency forward contracts	–	–	–	–	–	–
Redeemable units	353,919,823	–	$424,895,922	–	$651,561,521	–
	$353,919,823	$955,353	$424,895,922	$338,099	$651,561,521	$1,798,876

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Federal Bonds	33.8	35.7	40.7
Provincial Bonds	30.2	28.4	28.9
Municipal Bonds	2.3	2.3	1.6
Corporate Bonds	33.0	32.6	28.2
Money Market Instruments	–	0.2	0.2

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$351,267,830	$ –	$351,267,830

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$420,489,373	$ –	$420,489,373
Money Market Instruments	–	1,200,033	–	1,200,033
	$ –	$421,689,406	$ –	$421,689,406

Scotia Canadian Bond Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$647,686,612	$ –	$647,686,612
Money Market Instruments	–	1,000,027	–	1,000,027
	$ –	$648,686,639	$ –	$648,686,639

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$269,991,968	$252,604,354	$266,663,615
Cash	530,779	408,928	238,889
Accrued investment income	709,013	600,080	786,723
Subscriptions receivable	127,330	154,106	174,142
	271,359,090	253,767,468	267,863,369
LIABILITIES			
Current liabilities			
Distributions payable	–	1,416	1,070
Redemptions payable	225,233	261,160	249,685
Accrued expenses	222,338	–	–
	447,571	262,576	250,755
Net Assets attributable to holders of redeemable units	$270,911,519	$253,504,892	$267,612,614
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$270,613,997	$253,295,698	$247,451,601
Series F Units	$ 297,522	$ 209,194	$ 119,971
Series I Units	$ –	$ –	$ 20,041,042
UNITS OUTSTANDING			
Series A Units	10,211,180	10,734,976	11,499,076
Series F Units	11,279	8,920	5,601
Series I Units	–	–	949,338
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 26.50	$ 23.60	$ 21.52
Series F Units	$ 26.38	$ 23.45	$ 21.42
Series I Units	$ –	$ –	$ 21.11

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 3,689,138	$ 4,082,212
Interest for distribution purposes	98,250	81,180
Capital gains distributions received	29,041	30,998
Net realized gain (loss) on non-derivative financial assets	5,857,739	2,784,192
Net gain (loss) foreign exchange	–	(77)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	21,949,319	(8,927,506)
Net gain (loss) on investments	31,623,487	(1,949,001)
Securities lending	19,607	52,634
Other income	2,421	3,226
Total income (loss)	31,645,515	(1,893,141)
EXPENSES		
Management fees (note 5)	1,034,214	962,713
Harmonized Sales Tax/Goods and Services Tax	124,936	121,531
Audit fees	2,905	3,134
Independent Review Committee fees	385	456
Custodian fees	3,387	3,549
Filing fees	6,188	10,270
Legal fees	822	1,112
Unitholder reporting costs	13,010	12,640
Unitholder administration and service fees	79,252	88,325
Overdraft charges	1,344	1,700
Foreign withholding taxes/tax reclaims	179	79
Transaction costs	5,704	7,277
Total expenses	1,272,326	1,212,786
Absorbed expenses	(1,117)	(1,491)
Net expenses	1,271,209	1,211,295
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$30,374,306	$ (3,104,436)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$30,337,146	$ (2,975,882)
Series F Units	$ 37,160	$ (1,915)
Series I Units	$ –	$ (126,639)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 2.90	$ (0.26)
Series F Units	$ 2.88	$ (0.30)
Series I Units	$ –	$ (0.14)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	10,452,240	11,241,345
Series F Units	12,895	6,349
Series I Units	–	899,551

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Canadian Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$253,295,698	$247,451,601
Series F Units	209,194	119,971
Series I Units	–	20,041,042
	253,504,892	267,612,614
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	30,337,146	(2,975,882)
Series F Units	37,160	(1,915)
Series I Units	–	(126,639)
	30,374,306	(3,104,436)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	13,424,626	16,265,183
Series F Units	160,000	45,500
Series I Units	–	1,500
Payments on redemption		
Series A Units	(26,443,473)	(27,122,300)
Series F Units	(108,832)	–
Series I Units	–	(1,567,527)
	(12,967,679)	(12,377,644)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	17,318,299	(13,832,999)
Series F Units	88,328	43,585
Series I Units	–	(1,692,666)
	17,406,627	(15,482,080)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	270,613,997	233,618,602
Series F Units	297,522	163,556
Series I Units	–	18,348,376
	$270,911,519	$252,130,534

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 30,374,306	$ (3,104,436)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(5,857,739)	(2,784,192)
Net realized gain (loss) foreign exchange on cash	–	77
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(21,949,319)	8,927,506
Purchases of non-derivative financial assets	(7,526,034)	(4,785,495)
Proceeds from sale of non-derivative financial assets	17,939,774	14,514,611
Transaction costs	5,704	7,277
Accrued investment income	(108,933)	(13,950)
Accrued expenses	222,338	181,836
Net cash provided by (used in) operating activities	13,100,097	12,943,234
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	13,611,402	16,420,386
Amounts paid on redemption of redeemable units	(26,588,232)	(28,798,320)
Distributions to unitholders of redeemable units	(1,416)	(1,070)
Net cash provided by (used in) financing activities	(12,978,246)	(12,379,004)
Net gain (loss) foreign exchange on cash	–	(77)
Net increase (decrease) in cash	121,851	564,230
Cash at beginning of period	408,928	238,889
CASH AT END OF PERIOD	$ 530,779	$ 803,042
Interest received(1)	98,202	81,247
Dividends received, net of withholding taxes(1)	3,580,075	4,068,115

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
Energy – 26.9%			
22,743	Advantage Oil & Gas Ltd.	312,332	163,067
17,800	AltaGas Ltd.	478,895	873,624
45,815	ARC Resources Ltd.	1,091,184	1,488,529
45,059	Athabasca Oil Sands Corporation	679,985	345,152
37,300	Bankers Petroleum Ltd.	319,326	254,386
23,922	Baytex Energy Corporation	718,194	1,178,159
23,000	Bellatrix Exploration Ltd.	178,513	212,980
13,400	Birchcliff Energy Ltd.	156,715	188,940
35,500	BlackPearl Resources Inc.	122,415	80,230
25,600	Bonavista Energy Corporation	726,439	419,072
4,000	Bonterra Energy Corp.	230,450	259,040
9,860	Calfrac Well Services Ltd.	112,313	196,707
57,604	Cameco Corporation	858,058	1,205,652
157,825	Canadian Natural Resources Ltd.	2,711,884	7,738,160
70,019	Canadian Oil Sands Ltd.	2,013,290	1,693,059
8,500	Canyon Services Group Inc	151,687	160,650
109,481	Cenovus Energy Inc.	1,879,296	3,786,948
59,385	Crescent Point Energy Corp.	2,082,362	2,808,317
17,400	Crew Energy Inc.	228,842	192,270
120,484	Enbridge Inc.	1,859,270	6,100,105
6,604	Enbridge Income Fund Holdings Inc.	152,708	184,384
107,188	EnCana Corporation	1,944,476	2,709,713
10,965	Enerflex Ltd.	72,745	222,809
29,830	Enerplus Corp.	1,354,480	802,129
19,000	Ensign Resource Service, Inc.	130,028	314,830
7,200	Freehold Royalties Ltd.	144,840	192,816
18,000	Gibson Energy Inc.	390,622	612,720
38,900	Gran Tierra Energy, Inc.	274,362	337,263
42,565	Husky Energy Inc.	748,737	1,466,790
36,701	Imperial Oil Ltd.	959,362	2,063,697
46,500	Inter Pipeline Ltd.	498,445	1,540,080
49,200	Ithaca Energy, Inc.	132,579	136,776
13,800	Kelt Exploration Ltd.	168,585	210,174
12,120	Keyera Corp.	319,626	952,753
20,393	Legacy Oil & Gas Inc.	289,988	192,918
28,602	Lightstream Resources Ltd.	564,607	233,392
21,500	MEG Engery Corporation	1,004,588	836,135
13,300	Mullen Group Limited	295,759	408,576
18,500	NuVista Energy Ltd.	129,556	221,075
45,240	Pacific Rubiales Energy Corporation	622,617	980,803
12,900	Painted Pony Petroleum Ltd	167,915	176,085
7,000	Paramount Resources Ltd.	222,186	416,850
13,600	Parex Resources Inc.	173,764	170,680
11,000	Parkland Fuel Corporation	138,122	226,160
9,400	Pason Systems Inc.	107,051	282,000
46,637	Pembina Pipeline Corporation	921,384	2,141,105
77,212	Pengrowth Energy Corp.	1,142,525	590,672
71,743	Penn West Petroleum Ltd.	2,292,121	747,562
21,300	Peyto Exploration & Development Corporation	430,720	858,603
42,000	Precision Drilling Corporation	606,931	634,620
21,000	Raging River Exploration Inc.	134,852	227,850
17,400	RMP Energy Inc.	165,258	164,256
13,600	Savanna Energy Services Corp.	206,243	114,920
15,900	Secure Energy Services Inc.	182,353	372,855
8,700	ShawCor Ltd.	149,464	516,258
211,996	Suncor Energy, Inc.	4,227,848	9,645,818
31,500	Surge Energy, Inc.	221,240	246,330
137,629	Talisman Energy Inc.	1,403,926	1,552,455
9,300	Total Cda Oil & Gas	140,953	136,524
23,100	Tourmaline Oil Corp.	728,170	1,299,606
102,132	TransCanada Corporation	2,928,970	5,201,583
11,800	TransGlobe Energy Corporation	180,584	94,518
21,700	Trican Well Service Ltd.	162,527	373,891
9,722	Trilogy Energy Corporation	220,981	283,882
20,600	Trinidad Drilling Ltd.	249,195	249,466

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Energy (cont'd)			
31,800	Veresen Inc.	390,587	596,250
14,300	Vermilion Energy, Inc.	490,499	1,061,775
35,432	Whitecap Resources, Inc.	394,944	583,570
		45,891,473	72,931,024
Materials – 12.2%			
29,828	Agnico-Eagle Mines Limited	1,049,638	1,218,772
20,763	Agrium Inc.	789,969	2,029,583
31,282	Alacer Gold Corporation	264,846	88,528
19,000	Alamos Gold Inc.	184,457	205,010
23,500	Argonaut Gold, Inc.	201,865	103,870
36,329	AuRico Gold Inc.	332,568	165,660
92,000	B2Gold Corporation	333,345	286,120
168,505	Barrick Gold Corporation	5,410,382	3,292,588
23,400	Canexus Corp.	166,604	114,660
11,483	Canfor Corporation	112,567	268,243
48,800	Capstone Mining Corp.	191,534	125,416
3,800	CCL Industries Inc., Class B	60,600	390,450
22,313	Centerra Gold Inc.	237,459	150,166
8,900	Chemtrade Logistics Income Fund	191,292	186,900
33,630	China Gold International Resources Corp., Ltd.	176,113	104,253
22,439	Detour Gold Corporation	390,535	327,609
12,580	Dominion Diamond Corporation	169,272	193,984
103,128	Eldorado Gold Corporation	936,935	841,524
17,300	First Majestic Silver Corp.	264,686	199,469
85,349	First Quantum Minerals Ltd.	1,060,852	1,947,664
17,300	Fortuna Silver Mines Inc.	102,010	102,070
21,419	Franco-Nevada Corporation	692,296	1,311,914
117,644	Goldcorp, Inc.	2,829,067	3,503,438
27,400	HudBay Minerals, Inc.	325,216	270,438
55,832	IAMGOLD Corporation	482,513	245,102
9,200	Interfor Corporation	148,995	136,804
8,500	Intertape Polymer Group Inc.	126,166	100,640
165,706	Kinross Gold Corporation	1,760,758	732,421
9,200	Labrador Iron Ore Royalty Corp	120,203	282,256
74,306	Lundin Mining Corporation	529,810	436,176
11,300	Major Drilling Group International Inc.	147,667	87,801
13,900	Methanex Corporation	182,272	916,983
27,922	Nevsun Resources Ltd.	141,051	111,688
72,798	New Gold Inc.	424,351	492,842
3,900	Norbord Inc.	130,686	102,102
33,700	NovaGold Resources Inc.	250,480	151,650
43,035	OceanGold Corporation	154,558	142,446
6,414	Osisko Gold Royalties Ltd.	101,469	102,945
21,657	Pan American Silver Corporation	364,532	354,309
121,922	Potash Corporation of Saskatchewan Inc.	2,350,784	4,947,595
10,400	Pretium Resources Inc.	172,090	91,832
23,100	Primero Mining Corp	191,912	197,505
39,961	SEMAFO Inc.	190,822	200,205
42,759	Sherritt International Corporation	390,679	184,719
11,700	Silver Standard Resources Inc.	267,246	107,991
51,937	Silver Wheaton Corporation	729,991	1,458,391
11,700	Tahoe Resources Inc.	208,175	326,898
67,387	Teck Resources Ltd., Class B	1,291,706	1,641,547
95,700	Torex Gold Resources Inc	196,554	155,991
113,174	Turquoise Hill Resources Ltd.	581,548	404,031
9,926	West Fraser Timber Co., Ltd.	212,337	513,273
126,022	Yamana Gold Inc.	1,274,150	1,106,473
		29,597,613	33,160,945
Industrials – 7.9%			
8,100	Aecon Group Inc.	154,603	137,295
41,300	Air Canada, Class B	136,001	393,589
11,100	ATS Automation Tooling Systems Inc.	152,214	173,271
5,400	Badger Daylighting Ltd.	154,723	189,810
5,222	Black Diamond Group Ltd.	116,356	179,219
216,754	Bombardier Inc., Class B	2,117,290	817,163
37,800	CAE, Inc.	260,653	527,688
7,800	Canadian Energy Services & Technology Corporation	137,771	260,676
118,748	Canadian National Railway Company	2,025,968	8,241,111
22,764	Canadian Pacific Railway Limited	854,483	4,400,509
24,800	Finning International Inc.	302,411	740,032
14,700	Horizon North Logistics Inc.	143,228	112,602
7,200	Newalta Corp.	139,422	154,296
16,657	Progressive Waste Solutions Ltd.	359,248	456,235
14,500	Ritchie Bros. Auctioneers Incorporated	302,605	381,350
8,800	Russel Metals Inc.	115,712	301,928
21,845	SNC-Lavalin Group Inc.	410,651	1,225,941
6,750	Stantec Inc.	176,004	446,040
18,700	Superior Plus Corporation	330,762	265,353
11,065	Toromont Industries Ltd.	117,244	291,120
8,900	Transcontinental Inc., Class A	92,191	133,411
12,083	TransForce, Inc.	194,162	296,879
2,598	Wajax Corporation	122,864	91,683
17,200	WestJet Airlines Ltd.	200,965	450,640
7,100	Westport Innovations Inc.	137,766	136,604
9,304	Westshore Terminals Investment Corp.	113,288	303,403
5,100	WSP Global Inc.	116,833	192,729
		9,485,418	21,300,577
Consumer Discretionary – 5.3%			
25,337	Aimia Inc	415,514	473,295
2,300	AutoCanada Inc.	197,705	181,769
5,300	BRP Inc.	158,210	139,390
11,460	Canadian Tire Corporation, Limited, Class A	400,080	1,173,160
9,200	Cineplex, Inc.	150,074	381,340
3,290	Cogeco Cable Inc.	114,822	194,406
12,100	Corus Entertainment Inc., Class B	241,954	302,137
8,900	Dollarama Inc.	278,345	781,865
3,800	Dorel Industries Inc., Class B	100,997	149,682
16,248	Gildan Activewear Inc.	287,333	1,021,512
14,600	Hudson's Bay Company	271,463	246,886
6,500	Linamar Corporation	119,738	409,175
31,516	Magna International Inc.	1,115,078	3,619,928
10,973	Martinrea International Inc.	94,936	139,138
12,900	Quebecor Inc., Class B	206,779	333,078
15,790	RONA inc.	220,333	181,269
54,826	Shaw Communications, Inc., Class B	917,963	1,500,039
52,780	Thomson Reuters Corporation	2,038,419	2,050,503
19,320	Tim Hortons, Inc.	618,479	1,127,708
		7,948,222	14,406,280
Consumer Staples – 2.6%			
60,500	Alimentation Couche-Tard Inc., Class B	212,985	1,768,415
13,638	Cott Corporation	121,959	102,831
7,900	Empire Company Limited, Class A	425,649	573,224
6,200	George Weston Limited	381,281	488,002
12,605	Jean Coutu Group (PJC) Inc., The, Class A	157,520	285,629
32,172	Loblaw Companies Limited	1,424,260	1,532,031
11,300	Maple Leaf Foods Inc.	131,748	224,418
12,558	Metro Inc., Class A	259,095	828,451
7,100	North West Company, Inc.	123,180	167,915
18,196	Saputo Inc.	363,756	1,163,270
		3,601,433	7,134,186
Health Care – 2.8%			
29,836	Catamaron Corporation	767,504	1,405,872
12,300	Extendicare Inc Cda Com	125,425	90,528
44,785	Valeant Pharmaceuticals International, Inc.	1,862,703	6,043,288
		2,755,632	7,539,688

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials – 33.9%			
9,800	AGF Management Limited, Class B	201,871	122,304
3,800	Alaris Royalty Corp.	133,733	109,896
9,899	Allied Properties Real Estate Investment Trust	222,663	349,930
18,906	Artis Real Estate Investment Trust	222,080	297,770
93,167	Bank of Montreal	3,990,010	7,321,063
175,709	Bank of Nova Scotia, The	6,431,607	12,499,938
82,513	Brookfield Asset Management Inc., Class A	1,324,150	3,878,936
35,100	Brookfield Property Partners LP	728,757	782,379
5,700	Boardwalk Real Estate Investment Trust	88,644	371,982
13,200	Canaccord Financial Inc.	161,659	162,228
14,749	Calloway Real Estate Investment Trust	277,494	391,733
16,100	Canadian Apartment Properties Real Estate Investment Trust	228,742	368,046
57,348	Canadian Imperial Bank of Commerce	3,026,987	5,568,491
9,900	Canadian Real Estate Investment Trust	213,867	455,301
11,600	Canadian Western Bank	163,840	462,724
25,900	Chartwell Seniors Housing Real Estate Investment Trust	219,169	280,756
33,900	CI Financial Corporation	750,575	1,188,195
17,400	Cominar Real Estate Investment Trust	325,952	327,990
10,600	Crombie Real Estate Investment Trust	142,641	142,464
11,600	Davis + Henderson Income Corporation	235,384	360,180
13,400	Dream Global REIT	137,430	131,588
7,062	Dream Unlimited Corp.	52,875	108,967
5,362	Dundee Corporation, Class A	73,936	92,119
15,200	Dundee Real Estate Investment Trust	420,847	445,208
27,100	Element Financial Corp.	286,949	365,308
3,042	Fairfax Financial Holdings Limited	911,534	1,539,921
13,700	First Capital Realty, Inc.	214,085	255,094
4,363	FirstService Corporation	114,665	235,951
5,597	Genworth MI Canada Inc.	142,341	212,742
7,000	Granite Real Estate Investment Trust	247,199	276,500
41,772	Great-West Lifeco Inc.	817,080	1,260,679
39,399	H&R Real Estate Investment Trust	734,874	912,481
9,300	Home Capital Group Inc.	158,265	444,819
13,436	IGM Financial, Inc.	343,478	686,311
14,300	Industrial Alliance Insurance and Financial Services Inc.	342,106	668,668
18,992	Intact Financial Corporation	745,598	1,397,431
4,200	Laurentian Bank of Canada	110,597	209,412
267,438	Manulife Financial Corporation	5,618,077	5,672,360
47,334	National Bank of Canada	837,228	2,142,337
4,580	Northern Property Real Estate Investment Trust	148,533	131,400
12,600	Onex Corporation	232,851	831,852
49,953	Power Corporation of Canada	933,401	1,481,106
33,816	Power Financial Corporation	602,315	1,123,029
44,136	RioCan Real Estate Investment Trust	815,426	1,205,354
208,229	Royal Bank of Canada	7,133,715	15,883,708
88,381	Sun Life Financial Inc.	2,635,303	3,466,303
3,400	TMX Group Inc.	124,119	200,090
266,414	Toronto-Dominion Bank, The	4,207,057	14,634,121
		48,231,709	91,457,165
Information Technology – 1.8%			
5,200	Avigilon Corporation	164,628	123,708
23,360	Celestica Inc.	930,104	313,491
39,793	CGI Group Inc., Class A	596,181	1,504,971
2,600	Constellation Software Inc.	341,747	707,096
9,600	Descartes Systems Group Inc., The	134,947	146,784
5,273	MacDonald, Dettwiler and Associates Ltd.	183,531	459,436
17,500	Open Text Corporation	251,238	896,000
71,768	Research In Motion Limited	2,572,408	785,142
		5,174,784	4,936,628
Telecommunication Services – 4.5%			
112,132	BCE Inc.	3,702,122	5,427,189
18,479	Bell Aliant, Inc.	607,083	515,379
EQUITIES (cont'd)			
Telecommunication Services (cont'd)			
11,300	Manitoba Telecom Services Inc.	346,064	349,622
53,613	Rogers Communications, Inc., Class B	1,243,150	2,302,142
89,522	TELUS Corporation	1,567,668	3,560,290
		7,466,087	12,154,622
Utilities – 1.8%			
22,876	Algonquin Power & Utilities Corp.	152,601	188,269
11,300	ATCO Ltd., Class I	149,339	584,436
13,500	Brookfield Renew Energy Partners LP	430,520	425,790
17,900	Canadian Utilities Limited, Class A	268,185	716,000
12,000	Capital Power Corporation	300,455	316,440
20,700	Emera Inc.	412,874	706,077
31,100	Fortis, Inc.	655,775	1,009,817
14,600	Innergex Renewable Energy Inc	152,281	157,826
19,895	Just Energy Group, Inc.	331,495	122,155
12,600	Northland Power Inc.	175,862	229,698
39,323	TransAlta Corporation	802,945	514,345
		3,832,332	4,970,853
	TOTAL INVESTMENT PORTFOLIO	163,984,703	269,991,968
	OTHER ASSETS, LESS LIABILITIES – 0.3%		919,551
	NET ASSETS – 100.0%		270,911,519

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index. It invests primarily in stocks that are included in the Index.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$253,238,422	$267,072,030
Revaluation of Investments at FVTPL	266,470	540,584
Net assets attributable to holders of redeemable units	$253,504,892	$267,612,614

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$(3,154,192)
Revaluation of Investments at FVTPL	49,756
Increase (decrease) in net assets attributable to holders of redeemable units	$(3,104,436)

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.4% (December 31, 2013 – 99.6%, January 1, 2013 – 99.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $26,999,197 (December 31, 2013 – $25,233,788, January 1, 2013 – $26,612,303). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$447,571	$ –	$262,576	$ –	$250,755
Redeemable units	270,991,519	–	253,504,892	–	267,612,614	
	$270,911,519	$447,571	$253,504,892	$262,576	$267,612,614	$250,755

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equities			
Energy	26.9	24.6	25.2
Materials	12.2	11.8	18.5
Industrials	7.9	7.9	6.1
Consumer Discretionary	5.3	5.5	4.6
Consumer Staples	2.6	3.1	2.7
Health Care	2.8	3.0	1.9
Financials	33.9	35.3	32.3
Information Technology	1.8	1.8	1.3
Telecommunication Services	4.5	4.9	5.1
Utilities	1.8	1.7	1.9

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$269,991,968	$ –	$ –	$269,991,968

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$252,542,667	$ –	$ –	$252,542,667
Rights	–	61,687	–	61,687
	$252,542,667	$61,687	$ –	$252,604,354

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$266,663,615	$ –	$ –	$266,663,615

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$91,082,426	$80,917,534	$54,368,202
Unrealized gain on currency spot contracts	5	–	–
Cash	342,295	236,878	193,267
Accrued investment income	82,366	93,134	51,331
Receivable for securities sold	–	–	6,030
Subscriptions receivable	44,274	183,992	86,633
	91,551,366	81,431,538	54,705,463
LIABILITIES			
Current liabilities			
Payable for securities purchased	78,189	–	–
Distributions payable	–	241	187
Redemptions payable	41,311	40,241	22,399
Accrued expenses	80,702	–	–
	200,202	40,482	22,586
Net Assets attributable to holders of redeemable units	$91,351,164	$81,391,056	$54,682,877
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$91,332,675	$81,370,376	$47,417,278
Series F Units	$ 18,489	$ 20,680	$ –
Series I Units	$ –	$ –	$ 7,265,599
UNITS OUTSTANDING			
Series A Units	4,812,981	4,581,295	3,692,947
Series F Units	979	1,171	–
Series I Units	–	–	563,835
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 18.98	$ 17.76	$ 12.84
Series F Units	$ 18.89	$ 17.66	$ –
Series I Units	$ –	$ –	$ 12.89

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$1,006,276	$ 698,060
Interest for distribution purposes	1,144	(3,682)
Net realized gain (loss) on non-derivative financial assets	438,948	(1,463)
Net gain (loss) foreign exchange	5,838	(5,395)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	4,859,510	10,816,423
Change in unrealized appreciation (depreciation) of currency spots	5	–
Net gain (loss) on investments	6,311,721	11,503,943
Securities lending	226	213
Other income	2,998	950
Total income (loss)	6,314,945	11,505,106
EXPENSES		
Management fees (note 5)	351,181	225,184
Harmonized Sales Tax/Goods and Services Tax	44,128	31,028
Audit fees	1,023	782
Independent Review Committee fees	131	111
Custodian fees	3,291	1,804
Filing fees	5,118	8,035
Legal fees	279	279
Unitholder reporting costs	7,630	6,727
Unitholder administration and service fees	37,014	38,794
Overdraft charges	146	233
Foreign withholding taxes/tax reclaims	129,032	100,143
Transaction costs	1,470	1,612
Total expenses	580,443	414,732
Absorbed expenses	(1,489)	–
Net expenses	578,954	414,732
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$5,735,991	$11,090,374
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$5,733,722	$ 9,790,118
Series F Units	$ 2,269	$ –
Series I Units	$ –	$ 1,300,256
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.20	$ 2.46
Series F Units	$ 1.91	$ –
Series I Units	$ –	$ 2.68
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	4,773,891	3,986,731
Series F Units	1,190	–
Series I Units	–	485,888

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia U.S. Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$81,370,376	$47,417,278
Series F Units	20,680	–
Series I Units	–	7,265,599
	81,391,056	54,682,877
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	5,733,722	9,790,118
Series F Units	2,269	–
Series I Units	–	1,300,256
	5,735,991	11,090,374
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	12,946,770	13,097,975
Series F Units	17,108	–
Payments on redemption		
Series A Units	(8,718,193)	(4,798,016)
Series F Units	(21,568)	–
Series I Units	–	(1,961,721)
	4,224,117	6,338,238
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	9,962,299	18,090,077
Series F Units	(2,191)	–
Series I Units	–	(661,465)
	9,960,108	17,428,612
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	91,332,675	65,507,355
Series F Units	18,489	–
Series I Units	–	6,604,134
	$91,351,164	$72,111,489

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 5,735,991	$ 11,090,374
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(438,948)	1,463
Net realized gain (loss) foreign exchange on cash	(5,838)	5,395
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(4,859,510)	(10,816,422)
Change in unrealized appreciation (depreciation) of currency spot contracts	(5)	–
Purchases of non-derivative financial assets	(6,817,044)	(6,809,131)
Proceeds from sale of non-derivative financial assets	2,027,143	648,433
Transaction costs	1,470	1,612
Accrued investment income	10,768	(23,520)
Accrued expenses	80,702	53,511
Net cash provided by (used in) operating activities	(4,265,271)	(5,848,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	13,103,689	13,054,501
Amounts paid on redemption of redeemable units	(8,738,691)	(6,684,511)
Distributions to unitholders of redeemable units	(148)	–
Net cash provided by (used in) financing activities	4,364,850	6,369,990
Net gain (loss) foreign exchange on cash	5,838	(5,395)
Net increase (decrease) in cash	99,579	521,705
Cash at beginning of period	236,878	193,267
CASH AT END OF PERIOD	$ 342,295	$ 709,577
Interest received(1)	1,175	–
Dividends received, net of withholding taxes(1)	887,983	570,715

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
Energy – 10.7%			
2,473	Anadarko Petroleum Corporation	137,384	288,777
1,941	Apache Corporation	125,392	208,328
2,131	Baker Hughes Incorporated	104,461	169,259
2,001	Cabot Oil & Gas Corporation	40,839	72,881
969	Cameron International Corporation	46,340	69,997
2,471	Chesapeake Energy Corporation	76,938	81,933
9,354	Chevron Corporation	780,306	1,302,399
436	Cimarex Energy Co.	66,251	66,718
5,993	ConocoPhillips	272,769	548,030
1,098	CONSOL Energy Inc.	54,725	53,966
1,801	Denbury Resources Inc.	34,123	35,469
1,838	Devon Energy Corporation	106,568	155,693
300	Diamond Offshore Drilling, Inc.	26,443	15,884
1,145	Ensco PLC	63,891	67,881
2,660	EOG Resources, Inc.	109,752	331,528
747	EQT Corporation	40,341	85,192
21,041	Exxon Mobil Corporation	1,525,177	2,258,786
1,160	FMC Technologies, Inc.	38,116	75,577
4,128	Halliburton Company	133,611	312,659
505	Helemerich & Payne, Inc.	24,291	62,539
1,309	Hess Corporation	76,665	138,100
3,228	Kinder Morgan Inc/Delaware	109,983	124,872
3,404	Marathon Oil Corporation	71,076	144,972
1,448	Marathon Petroleum Corporation	45,048	120,633
864	Murphy Oil Corporation	48,946	61,278
1,313	Nabors Industries Ltd.	37,032	41,141
2,072	National-Oilwell Varco Inc.	109,793	182,036
713	Newfield Exploration Company	41,323	33,621
1,259	Noble Corporation	46,047	45,077
1,730	Noble Energy, Inc.	76,139	142,964
3,892	Occidental Petroleum Corporation	230,427	425,992
1,416	Peabody Energy Corporation	48,826	24,699
2,775	Phillips 66 Company	86,868	238,069
695	Pioneer Natural Resources Company	60,599	170,395
850	QEP Resources Inc.	25,861	31,285
810	Range Resources Corporation	47,235	75,138
657	Rowan Companies plc	22,384	22,380
6,358	Schlumberger Limited	403,657	800,058
1,765	Southwestern Energy Company	77,331	85,629
3,231	Spectra Energy Corporation	97,966	146,428
620	Tesoro Corporation	31,900	38,807
1,698	Transocean Ltd.	85,966	81,545
2,605	Valero Energy Corporation	83,879	139,235
3,571	Williams Companies Inc., The	121,488	221,706
		5,894,157	9,799,556
Materials – 3.5%			
1,018	Air Products and Chemicals, Inc.	76,023	139,666
324	Airgas, Inc.	18,964	37,646
5,810	Alcoa Inc.	129,474	92,294
483	Allegheny Technologies, Inc.	37,433	23,239
713	Ball Corporation	25,911	47,678
494	Bemis Company, Inc.	14,155	21,429
247	CF Industries Holdings, Inc.	38,554	63,389
5,897	Dow Chemical Company, The	223,113	323,651
4,498	E.I. du Pont de Nemours and Company	262,011	313,954
727	Eastman Chemical Company	31,777	67,737
1,303	Ecolab Inc.	76,786	154,732
650	FMC Corporation	24,215	49,367
5,002	Freeport-McMoRan Copper & Gold Inc.	149,151	194,778
412	International Flavors & Fragrances Inc.	24,644	45,835
2,181	International Paper Company	102,839	117,399
2,090	LyondellBasell Industries NV, Class A	119,423	217,698
822	MeadWestvaco Corporation	26,510	38,814
2,575	Monsanto Company	161,218	342,623

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
1,658	Mosaic Company, The	93,291	87,469
2,348	Newmont Mining Corporation	92,947	63,726
1,569	Nucor Corporation	76,311	82,439
814	Owens-Illinois, Inc.	26,414	30,082
683	PPG Industries, Inc.	58,563	153,127
1,448	Praxair, Inc.	94,225	205,172
976	Sealed Air Corporation	35,326	35,579
413	Sherwin-Williams Company, The	30,719	91,166
575	Sigma-Aldrich Corporation	30,182	62,252
621	United States Steel Corporation	37,267	17,242
627	Vulcan Materials Company	38,002	42,657
		2,155,448	3,162,840
Industrials – 10.5%			
3,082	3M Co.	258,213	470,977
409	Allegion Public Limited Company	19,096	24,732
1,198	Ametek Inc.	57,606	66,818
505	Avery Dennison Corporation	32,632	27,625
3,323	Boeing Company, The	258,469	450,357
695	C.H. Robinson Worldwide, Inc.	42,061	47,298
3,128	Caterpillar Inc.	178,557	362,593
517	Cintas Corporation	23,751	35,046
4,899	CSX Corporation	70,763	161,028
841	Cummins Inc.	62,235	138,401
2,924	Danaher Corporation	115,162	245,533
1,809	Deere & Company	87,466	174,726
4,113	Delta Air Lines, Inc.	100,105	169,901
854	Dover Corporation	50,047	82,850
189	Dun & Bradstreet Corporation, The	17,884	22,220
2,336	Eaton Corporation	107,526	192,307
3,433	Emerson Electric Co.	158,053	242,951
573	Equifax Inc.	23,876	44,344
995	Expeditors International of Washington, Inc.	45,297	46,876
1,307	Fastenal Company	38,473	69,007
1,353	FedEx Corp.	106,774	218,473
659	Flowserve Corporation	23,453	52,272
772	Fluor Corporation	33,484	63,335
1,573	General Dynamics Corporation	95,864	195,589
49,270	General Electric Company	1,737,183	1,381,372
3,841	Honeywell International Inc.	258,619	380,785
1,923	Illinois Tool Works Inc.	102,909	179,634
1,298	Ingersoll-Rand PLC	57,315	86,562
850	Iron Mountain Incorporated	23,192	32,147
609	Jacobs Engineering Group, Inc.	40,402	34,617
510	Joy Global Inc.	40,736	33,513
551	Kansas City Southern	63,063	63,189
418	L-3 Communications Holdings, Inc.	39,451	53,841
1,313	Lockheed Martin Corporation	108,357	225,083
1,714	Masco Corporation	52,619	40,594
1,508	Nielsen Holdings N.V.	61,793	77,882
1,492	Norfolk Southern Corporation	69,670	163,957
1,042	Northrop Grumman Corporation	61,945	132,987
1,731	PACCAR Inc.	53,348	116,029
524	Pall Corporation	18,803	47,727
727	Parker-Hannifin Corporation	40,787	97,516
987	Pentair Ltd.	47,727	75,915
1,014	Pitney Bowes Inc.	48,024	29,906
715	Precision Castparts Corp.	104,244	192,518
1,032	Quanta Services, Inc.	27,802	38,072
1,536	Raytheon Company	90,452	151,168
1,275	Republic Services, Inc.	41,967	51,628
692	Robert Half International, Inc.	28,296	35,245
682	Rockwell Automation, Inc.	52,645	91,047
653	Rockwell Collins, Inc.	26,802	54,436
474	Roper Industries, Inc.	35,036	73,835
270	Ryder System, Inc.	16,867	25,374
284	Snap-on Incorporated	14,376	35,890
3,381	Southwest Airlines Co.	54,419	96,884
770	Stanley Black & Decker Inc.	48,827	72,129
400	Stericycle, Inc.	30,944	50,534
1,330	Textron Inc.	45,427	54,330
933	The ADT Corporation	34,612	34,778
2,247	Tyco International Ltd.	88,314	109,313
4,421	Union Pacific Corporation	151,756	470,475
3,470	United Parcel Service, Inc., Class B	303,838	380,044
4,151	United Technologies Corporation	278,066	511,203
299	W.W. Grainger, Inc.	42,481	81,109
2,154	Waste Management, Inc.	92,363	102,755
917	Xylem, Inc.	26,213	38,232
		6,568,537	9,609,514
Consumer Discretionary – 11.9%			
1,834	Amazon.com, Inc.	278,689	635,465
318	AutoNation, Inc.	14,404	20,238
168	AutoZone, Inc.	46,113	96,085
1,010	Bed Bath & Beyond Inc.	38,614	61,828
1,260	Best Buy Co., Inc.	51,790	41,685
1,086	BorgWarner, Inc.	40,540	75,529
1,127	Cablevision Systems Corporation	26,364	21,221
1,101	CarMax, Inc.	35,622	61,091
2,079	Carnival Corporation	94,572	83,507
2,690	CBS Corporation, Class B	118,746	178,331
153	Chipotle Mexican Grill, Inc.	46,641	96,714
1,337	Coach, Inc.	45,778	48,768
12,675	Comcast Corporation, Class A	376,787	725,877
1,335	D.R. Horton, Inc.	50,986	35,008
615	Darden Restaurants, Inc.	16,285	30,358
1,393	Delphi Automotive PLC	56,658	102,134
2,287	DIRECTV	80,844	207,414
1,071	Discovery Communications, Inc	41,904	84,872
1,429	Dollar General Corp.	73,037	87,447
1,000	Dollar Tree, Inc.	44,123	58,101
513	Expedia, Inc.	17,373	43,105
447	Family Dollar Stores, Inc.	22,334	31,541
19,326	Ford Motor Company	337,106	355,453
257	Fossil, Inc.	32,741	28,657
18	Galen Health Care Common	14,304	13,762
622	GameStop Corporation	28,484	26,855
1,150	Gannett Co., Inc.	77,938	38,389
1,337	GAP Inc., The	54,564	59,294
6,490	General Motors Co.	245,724	251,336
724	Genuine Parts Company	35,108	67,805
1,395	Goodyear Tire & Rubber Company, The	45,874	41,344
1,327	H&R Block, Inc.	27,824	47,455
1,074	Harley-Davidson, Inc.	52,622	80,034
343	Harman International Industries, Incorporated	42,820	39,312
580	Hasbro, Inc.	21,535	32,826
6,731	Home Depot Inc., The	355,962	581,370
2,079	Interpublic Group of Companies, Inc., The	90,853	43,273
3,270	Johnson Controls, Inc.	81,620	174,186
992	Kohl's Corporation	61,047	55,752
677	Leggett & Platt, Incorporated	21,092	24,745
820	Lennar Corporation, Class A	51,186	36,712
1,209	Limited Brands, Inc.	34,899	75,661
4,891	Lowe's Companies, Inc.	129,332	250,488
1,761	Macy's, Inc.	55,385	108,975
1,117	Marriott International Inc., Class A	33,036	76,359
1,600	Mattel, Inc.	45,852	66,520

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
4,822	McDonald's Corporation	318,600	518,241
1,305	McGraw-Hill Companies, Inc., The	56,798	115,597
854	Michael Kors Holdings Limited	73,550	80,768
300	Mohawk Industries, Inc.	45,183	44,276
287	Netflix Inc.	60,233	134,905
1,413	Newell Rubbermaid Inc.	50,458	46,716
2,376	News Corporation, Class A	21,470	45,475
3,631	NIKE, Inc., Class B	123,339	300,349
721	Nordstrom, Inc.	20,411	52,252
530	O'Reilly Automotive, Inc.	30,906	85,154
1,247	Omnicom Group Inc.	64,851	94,728
509	PetSmart Inc.	33,913	32,473
290	Polo Ralph Lauren Corporation	34,639	49,704
256	priceline.com Incorporated	113,296	328,555
1,617	PulteGroup Inc.	24,656	34,778
393	PVH Corporation	48,145	48,887
1,069	Ross Stores, Inc.	32,621	75,419
503	Scripps Networks Interactive	29,052	43,534
3,126	Staples, Inc.	67,677	36,101
3,664	Starbucks Corporation	108,514	302,473
957	Starwood Hotels & Resorts Worldwide, Inc.	52,486	82,515
3,058	Target Corporation	151,360	189,009
531	Tiffany & Co.	28,094	56,777
1,364	Time Warner Cable Inc.	178,784	214,326
4,380	Time Warner Inc.	405,178	328,264
3,495	TJX Companies, Inc., The	73,864	198,177
699	Tractor Supply Company	55,712	45,042
524	TripAdvisor Inc.	22,881	60,744
9,517	Twenty-First Century Fox Inc.	183,192	356,885
800	Under Armour Inc	42,837	50,773
458	Urban Outfitters, Inc.	17,317	16,545
1,748	VF Corporation	43,743	117,458
1,960	Viacom Inc., Class B	122,125	181,354
7,923	Walt Disney Company, The	357,114	724,730
376	Whirlpool Corporation	36,086	55,836
644	Wyndham Worldwide Corporation	39,527	52,023
401	Wynn Resorts Limited	34,327	88,795
2,139	Yum! Brands, Inc.	64,395	185,263
		6,862,446	10,877,783
Consumer Staples – 9.5%			
9,705	Altria Group, Inc.	179,996	434,082
3,182	Archer-Daniels-Midland Company	83,813	149,741
2,085	Avon Products, Inc.	56,617	32,498
765	Brown-Forman Corporation, Class B	31,945	76,856
846	Campbell Soup Company	39,335	41,346
624	Clorox Company, The	41,144	60,836
18,585	Coca-Cola Company, The	677,040	839,392
1,186	Coca-Cola Enterprises Inc.	36,945	60,455
4,273	Colgate-Palmolive Company	178,008	310,694
2,011	ConAgra Foods, Inc.	65,311	63,676
787	Constellation Brands, Inc., Class A	33,288	74,007
2,131	Costco Wholesale Corporation	159,004	261,811
5,788	CVS Caremark Corporation	222,891	465,249
970	Dr. Pepper Snapple Group, Inc.	34,533	60,621
1,238	Estee Lauder Companies Inc., The	43,494	98,080
3,058	General Mills, Inc.	108,187	171,359
648	Green Mountain Coffee Roasters	81,018	86,145
711	Hershey Company, The	30,400	73,858
686	Hormel Foods Corporation	16,454	36,106
500	J.M. Smucker Company, The	26,055	56,834
1,274	Kellogg Company	65,084	89,297
1,836	Kimberly-Clark Corporation	145,817	217,811
2,937	Kraft Foods Group Inc.	114,300	187,843
EQUITIES (cont'd)			
Consumer Staples (cont'd)			
2,558	Kroger Co., The	84,031	134,853
1,735	Lorillard, Inc.	52,744	112,854
609	McCormick & Company, Inc.	25,243	46,513
999	Mead Johnson Nutrition Company	55,631	99,299
766	Molson Coors Brewing Company, Class B	37,830	60,604
8,321	Mondelez International, Inc.	201,351	333,873
656	Monster Beverage Corporation	46,816	49,711
7,445	PepsiCo, Inc.	472,044	709,481
7,709	Philip Morris International Inc.	354,576	693,188
13,299	Procter & Gamble Company, The	880,980	1,114,682
1,535	Reynolds American Inc.	47,923	98,830
1,174	Safeway Inc.	67,409	42,991
2,860	Sysco Corporation	83,894	114,267
1,342	Tyson Foods, Inc.	31,596	53,768
7,901	Wal-Mart Stores, Inc.	515,937	632,483
4,288	Walgreen Company	184,180	339,004
1,808	Whole Foods Markets, Inc.	76,067	74,512
		5,688,931	8,659,510
Health Care – 13.3%			
7,510	Abbott Laboratories	222,240	327,572
7,781	AbbVie Inc.	263,254	468,268
843	Actavis Inc.	78,395	199,625
1,776	Aetna Inc.	56,342	153,624
1,630	Agilent Technologies, Inc.	110,603	99,860
966	Alexion Pharmaceuticals, Inc.	100,864	161,027
1,462	Allergan, Inc.	92,762	263,743
1,149	AmerisourceBergen Corporation	35,124	89,067
3,727	Amgen Inc.	278,548	470,656
2,671	Baxter International Inc.	160,032	205,980
938	Becton, Dickinson and Company	59,563	118,353
1,159	Biogen Idec Inc.	129,640	389,874
6,342	Boston Scientific Corporation	107,284	86,401
8,050	Bristol-Myers Squibb Company	498,808	416,610
363	C. R. Bard, Inc.	26,770	55,360
1,655	Cardinal Health, Inc.	94,021	121,025
1,036	CareFusion Corporation	27,817	49,018
3,982	Celgene Corporation	144,588	364,835
1,432	Cerner Corporation	44,060	78,800
1,332	CIGNA Corporation	60,721	130,693
2,208	Covidien PLC	117,095	212,546
862	DaVita, Inc.	27,618	66,507
674	DENTSPLY International Inc.	25,148	34,047
524	Edwards Lifesciences Corporation	45,211	47,979
4,796	Eli Lilly and Company	348,867	318,099
3,796	Express Scripts, Inc.	162,935	280,770
1,146	Forest Laboratories, Inc.	52,843	121,497
7,524	Gilead Sciences, Inc.	214,916	665,516
807	Hospira, Inc.	31,115	44,227
769	Humana Inc.	41,349	104,762
187	Intuitive Surgical, Inc.	61,112	82,154
13,899	Johnson & Johnson	995,135	1,550,800
424	Laboratory Corporation of America Holdings	31,266	46,320
1,129	McKesson Corporation	92,250	224,285
4,910	Medtronic, Inc.	267,092	334,068
14,305	Merck & Co., Inc.	793,798	882,865
1,777	Mylan Inc.	49,170	97,747
444	Patterson Companies Inc.	15,572	18,715
529	PerkinElmer, Inc.	14,215	26,435
660	Perrigo Company PLC	85,445	102,611
31,354	Pfizer Inc.	1,012,632	992,795
671	Quest Diagnostics Incorporated	35,670	42,014
385	Regeneron Pharmaceuticals, Inc.	92,851	116,021
1,386	St. Jude Medical, Inc.	51,563	102,397

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
1,424	Stryker Corporation	73,835	128,076
446	Tenet Healthcare Corporation	27,693	22,328
1,928	Thermo Fisher Scientific, Inc.	121,407	242,712
4,839	UnitedHealth Group Incorporated	179,328	421,955
531	Varian Medical Systems, Inc.	30,886	47,099
1,178	Vertex Pharmaceuticals Incorporated	92,642	118,989
408	Waters Corporation	24,466	45,451
1,390	WellPoint Inc.	81,904	159,555
846	Zimmer Holdings, Inc.	47,973	93,726
2,382	Zoetis Inc.	73,060	82,006
		8,009,498	12,127,465
Financials – 15.7%			
1,631	ACE Limited	104,588	180,415
300	Affiliated Managers Group, Inc.	65,739	65,325
2,238	Aflac, Inc.	102,052	148,629
2,151	Allstate Corporation, The	94,302	134,750
4,475	American Express Company	255,538	452,852
7,144	American International Group, Inc.	634,492	415,985
1,945	American Tower Corporation	96,791	186,659
918	Ameriprise Financial, Inc.	45,085	117,524
757	Apartment Investment & Management Company	20,667	26,061
384	Assurant, Inc.	23,759	26,848
604	AvalonBay Communities, Inc.	80,863	91,608
51,632	Bank of America Corporation	1,292,308	846,634
5,581	Bank of New York Mellon Corporation, The	234,143	223,070
3,522	BB&T Corporation	132,578	148,156
8,848	Berkshire Hathaway Inc., Class B	785,821	1,194,660
612	BlackRock, Inc.	125,172	208,648
752	Boston Properties, Inc.	73,580	94,792
2,773	Capital One Financial Corporation	159,444	244,361
1,358	CB Richard Ellis Group, Inc.	32,406	46,419
5,783	Charles Schwab Corporation, The	146,235	166,147
1,212	Chubb Corporation, The	71,862	119,197
719	Cincinnati Financial Corporation	32,189	36,850
14,938	Citigroup Inc.	1,310,878	750,613
1,517	CME Group Inc.	126,592	114,826
922	Comerica Incorporated	49,163	49,324
2,272	Discover Financial Services	65,284	150,232
1,492	E*Trade Financial Corporation	44,058	33,840
1,626	Equity Residential Real Estate Investment Trust	77,781	109,286
300	Essex Property Trust, Inc.	57,583	59,164
4,132	Fifth Third Bancorp	131,564	94,115
5	First Horizon National Corporation	143	59
1,986	Franklin Resources, Inc.	75,371	122,581
2,600	General Growth Properties, Inc.	58,584	65,351
2,413	Genworth Financial Inc., Class A	62,591	44,793
2,050	Goldman Sachs Group, Inc., The	300,149	366,329
2,177	Hartford Financial Services Group, Inc., The	92,673	83,170
2,264	HCP, Inc. Real Estate Investment Trust	82,388	99,911
1,513	Health Care Real Estate Investment Trust, Inc.	81,031	101,158
3,743	Host Hotels & Resorts Inc.	79,307	87,891
2,345	Hudson City Bancorp, Inc.	34,811	24,592
4,035	Huntington Bancshares Incorporated	40,234	41,067
553	IntercontinentalExchange Inc.	117,440	111,430
2,075	Invesco Limited	53,692	83,601
18,600	JPMorgan Chase & Co.	958,115	1,142,681
4,378	KeyCorp.	67,461	66,931
2,069	Kimco Realty Corporation	47,090	50,724
554	Legg Mason, Inc.	44,371	30,317
1,470	Leucadia National Corporation	47,633	41,120
1,250	Lincoln National Corporation	61,696	68,598
1,461	Loews Corporation	50,675	68,597
675	Macerich Company, The	46,337	48,057
EQUITIES (cont'd)			
Financials (cont'd)			
629	M&T Bank Corporation	61,822	83,254
2,643	Marsh & McLennan Companies, Inc.	128,286	146,116
5,448	MetLife, Inc.	253,463	322,809
912	Moody's Corporation	14,958	85,276
6,807	Morgan Stanley	287,524	234,782
606	NASDAQ OMX Group, Inc., The	20,286	24,968
2,179	Navient Corporation	39,499	41,170
1,094	Northern Trust Corporation	78,591	74,942
1,607	People's United Financial Inc.	33,123	26,008
861	Plum Creek Timber Company, Inc.	38,279	41,427
2,614	PNC Financial Services Group, Inc., The	236,291	248,338
1,300	Principal Financial Group, Inc.	43,402	70,011
2,602	Progressive Corporation, The	45,118	70,398
2,424	ProLogis	103,103	106,260
2,258	Prudential Financial, Inc.	124,396	213,842
709	Public Storage Real Estate Investment Trust	72,395	129,578
7,101	Regions Financial Corporation	106,366	80,454
1,521	Simon Property Group, Inc.	151,568	269,819
2,109	State Street Corporation	135,613	151,278
2,624	SunTrust Banks, Inc.	118,536	112,144
1,295	T. Rowe Price Group Inc.	58,325	116,618
452	Torchmark Corporation	15,738	39,493
1,733	Travelers Companies, Inc., The	108,366	173,875
8,850	U.S. Bancorp	282,121	408,869
1,313	Unum Group	52,823	48,691
1,399	Ventas, Inc.	68,225	95,671
856	Vornado Realty Trust Real Estate Investment Trust	73,756	97,455
23,552	Wells Fargo & Company	1,014,846	1,320,268
2,865	Weyerhaeuser Company	98,819	101,140
1,368	XL Group PLC	78,109	47,768
902	Zions Bancorporation	31,613	28,359
		12,849,669	14,297,029
Information Technology – 18.9%			
3,091	Accenture PLC, Class A	195,663	266,498
2,262	Adobe Systems Incorporated	72,222	174,620
868	Akamai Technologies, Inc.	36,171	56,543
266	Alliance Data Systems Corporation	72,625	79,809
1,548	Altera Corporation	70,233	57,406
758	Amphenol Corporation	33,855	77,907
1,553	Analog Devices, Inc.	82,872	89,584
1,443	Aon PLC	72,024	138,690
29,611	Apple Inc.	965,844	2,935,701
5,828	Applied Materials, Inc.	148,840	140,207
1,062	Autodesk, Inc.	24,028	63,878
2,369	Automatic Data Processing, Inc.	145,179	200,369
1,200	Avago Technologies Ltd.	87,487	92,265
2,730	Broadcom Corporation	288,814	108,112
1,538	CA, Inc.	75,679	47,157
25,046	Cisco Systems, Inc.	911,622	663,999
771	Citrix Systems, Inc.	45,245	51,450
3,008	Cognizant Technology Solutions Corporation	79,622	156,956
717	Computer Sciences Corporation	57,689	48,344
6,293	Corning Incorporated	229,287	147,365
5,651	eBay Inc.	171,977	301,800
1,482	Electronic Arts Inc.	50,934	56,713
9,944	EMC Corporation	348,369	279,434
381	F5 Networks, Inc.	49,897	45,297
8,460	Facebook Inc.	505,433	607,329
1,441	Fidelity National Information Service, Inc.	49,160	84,153
373	First Solar, Inc.	35,030	28,277
1,231	Fiserv, Inc.	33,265	79,218
741	FLIR Systems, Inc.	24,584	27,455
595	Garmin Ltd.	25,790	38,670

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology (cont'd)			
1,393	Google Inc. Class A	890,249	868,890
1,393	Google Inc. Class C	22,054	854,935
521	Harris Corporation	26,054	42,104
9,297	Hewlett-Packard Company	442,805	334,055
24,478	Intel Corporation	869,827	806,933
4,677	International Business Machines Corporation	703,486	904,275
1,376	Intuit Inc.	67,039	118,217
921	Jabil Circuit, Inc.	22,176	20,550
2,255	Juniper Networks, Inc.	51,158	59,037
795	KLA-Tencor Corporation	44,222	61,609
770	Lam Research Corporation	29,903	55,515
1,125	Linear Technology Corporation	57,073	56,494
5,002	MasterCard, Inc., Class A	166,637	392,064
960	Microchip Technology Incorporated	39,071	49,990
5,122	Micron Technology, Inc.	119,351	180,052
36,929	Microsoft Corporation	1,380,020	1,642,882
1,136	Motorola Solutions, Inc.	112,225	80,679
1,566	NetApp, Inc.	68,683	61,013
2,766	NVIDIA Corporation	59,296	54,710
16,842	Oracle Corporation	459,764	728,238
1,536	Paychex, Inc.	59,900	68,104
8,248	QUALCOMM, Inc.	462,793	696,910
932	Red Hat, Inc.	31,182	54,935
2,779	Salesforce.com, Inc.	93,242	172,194
1,076	SanDisk Corporation	61,684	119,878
1,588	Seagate Technology PLC	45,042	96,262
3,452	Symantec Corporation	106,242	84,335
759	Teradata Corporation	25,066	32,551
5,256	Texas Instruments Incorporated	267,812	267,976
772	Total System Services, Inc.	15,447	25,870
1,989	Tyco Electronics Ltd.	72,395	131,222
587	VeriSign, Inc.	15,502	30,567
2,464	Visa Inc.	289,431	553,897
1,025	Western Digital Corporation	43,040	100,932
2,774	Western Union Company	58,834	51,317
5,414	Xerox Corporation	123,458	71,852
1,333	Xilinx, Inc.	77,403	67,280
4,643	Yahoo! Inc.	263,913	174,022
		12,732,919	17,317,552
Telecommunication Services – 2.5%			
25,512	AT&T Inc.	1,365,308	962,409
2,782	CenturyLink Inc.	257,748	107,396
1,638	Crown Castle International Corp.	101,133	129,743
4,730	Frontier Communications Corporation	67,095	29,470
20,353	Verizon Communications Inc.	1,037,155	1,061,902
2,771	Windstream Corporation	31,900	29,444
		2,860,339	2,320,364
Utilities – 3.2%			
3,173	AES Corporation, The	107,895	52,638
594	AGL Resources Inc	22,186	34,863
1,232	Ameren Corporation	54,091	53,711
2,361	American Electric Power Company, Inc.	102,752	140,437
2,067	CentrePoint Energy, Inc.	48,535	56,320
1,299	CMS Energy Corporation	56,625	43,190
1,426	Consolidated Edison, Inc.	73,466	87,841
2,814	Dominion Resources, Inc.	128,700	214,651
837	DTE Energy Company	44,911	69,548
3,441	Duke Energy Corporation	220,943	272,353
1,604	Edison International	65,524	99,439
887	Entergy Corporation	53,617	77,696
4,121	Exelon Corporation	170,523	160,384
1,975	FirstEnergy Corp.	104,187	73,156
388	Integrys Energy Group, Inc.	21,353	29,443
2,118	NextEra Energy, Inc.	125,670	231,528
1,485	NiSource Inc.	46,608	62,325
1,491	Northeast Utilities	49,279	75,167
1,646	NRG Energy, Inc.	42,972	65,324
1,015	ONEOK, Inc.	33,284	73,721
1,268	Pepco Holdings, Inc.	27,325	37,174
2,278	PG&E Corporation	96,301	116,666
515	Pinnacle West Capital Corporation	26,163	31,765
3,103	PPL Corporation	91,109	117,620
2,453	Public Service Enterprise Group Incorporated	73,217	106,747
689	SCANA Corporation	30,946	39,542
1,096	Sempra Energy	58,467	122,410
4,296	Southern Company	166,667	207,916
1,069	TECO Energy, Inc.	35,759	21,076
1,095	Wisconsin Energy Corporation	32,005	54,812
2,367	Xcel Energy, Inc.	67,178	81,350
		2,278,258	2,910,813
	TOTAL INVESTMENT PORTFOLIO	65,900,202	91,082,426
	Currency Spot Contracts – 0.0%		5
	OTHER ASSETS, LESS LIABILITIES – 0.3%		268,733
	NET ASSETS – 100.0%		91,351,164

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul. 2, 2014	U.S. Dollar	30,000	Canadian Dollar	32,001	32,001	5

The currency spot contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

For equities, all common shares unless otherwise noted.
The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 Index (S&P Index). The portfolio advisor aims to track the performance of the S&P Index as closely as possible by investing in the stocks that are included in the S&P Index in substantially the same proportion as they are weighted in the index, keeping the portfolio as fully invested as possible, and by minimizing transaction costs.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$81,379,773	$54,673,240
Revaluation of Investments at FVTPL	11,283	9,637
Net assets attributable to holders of redeemable units	$81,391,056	$54,682,877

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$11,079,030
Revaluation of Investments at FVTPL	11,344
Increase (decrease) in net assets attributable to holders of redeemable units	$11,090,374

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	91,164,849	99.8	9,116,485	10.0
Total	91,164,849	99.8	9,116,485	10.0

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	80,917,534	99.4	8,091,753	9.9
Total	80,917,534	99.4	8,091,753	9.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	54,368,202	99.4	5,436,820	9.9
Total	54,368,202	99.4	5,436,820	9.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.7% (December 31, 2013 – 99.4%, January 1, 2013 – 99.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $9,108,243 (December 31, 2013 – $8,090,625, January 1, 2013 – $5,435,857). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$200,202	$ –	$40,482	$ –	$22,586
Redeemable units	91,351,164	–	81,391,056	–	54,682,877	–
	$91,351,164	$200,202	$81,391,056	$40,482	$54,682,877	$22,586

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

v) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Energy	10.7	10.2	10.9
Materials	3.5	3.5	3.6
Industrials	10.5	10.9	10.2
Consumer Discretionary	11.9	12.4	11.3
Consumer Staples	9.5	9.7	10.6
Health Care	13.3	12.9	11.9
Financials	15.7	16.0	15.6
Information Technology	18.9	18.6	19.0
Telecommunication Services	2.5	2.3	3.0
Utilities	3.2	2.9	3.4
Currency Spot	0.0	–	–

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	$91,082,426	$ –	$ –	$91,082,426
Currency Spot Contracts – Assets	5	–	–	5
	$91,082,431	$ –	$ –	$91,082,431

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	$80,917,534	$ –	$ –	$80,917,534

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$54,368,202	$ –	$ –	$54,368,202

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia CanAm Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$78,178,901	$73,693,488	$56,305,224
Cash	451,012	450,850	128,774
Accrued investment income	474	384	89
Subscriptions receivable	11,458	53,894	6,740
Receivable for futures contracts	52,104	2,201,543	1,802,090
	78,693,949	76,400,159	58,242,917
LIABILITIES			
Current liabilities			
Redemptions payable	82,043	8,136	57,539
Accrued expenses	72,600	–	–
	154,643	8,136	57,539
Net Assets attributable to holders of redeemable units	$78,539,306	$76,392,023	$58,185,378
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$78,431,940	$76,392,023	$58,185,378
Series F Units	$ 107,366	$ –	$ –
UNITS OUTSTANDING			
Series A Units	6,090,746	6,312,982	6,712,068
Series F Units	8,328	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 12.88	$ 12.10	$ 8.67
Series F Units	$ 12.89	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 346,216	$ 299,736
Index futures contracts income	5,046,225	7,728,918
Net realized gain (loss) on futures contracts	1,706,426	(1,041)
Net gain (loss) foreign exchange	56,939	213,986
Change in unrealized appreciation (depreciation) of currency futures	(1,847,843)	3,330,546
Net gain (loss) on investments	5,307,963	11,572,145
Securities lending	4,188	6,484
Other income	610	311
Total income (loss)	5,312,761	11,578,940
EXPENSES		
Management fees (note 5)	312,063	252,430
Harmonized Sales Tax/Goods and Services Tax	39,676	35,033
Audit fees	881	770
Independent Review Committee fees	116	111
Custodian fees	583	641
Filing fees	10,224	6,862
Legal fees	247	273
Unitholder reporting costs	9,753	8,846
Unitholder administration and service fees	49,997	59,622
Overdraft charges	1,104	635
Transaction costs	15,957	13,051
Total expenses	440,601	378,274
Absorbed expenses	(2,907)	(13)
Net expenses	437,694	378,261
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 4,875,067	$11,200,679
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 4,869,701	$11,200,679
Series F Units**	$ 5,366	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.78	$ 1.69
Series F Units**	$ 0.32	$ –
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	6,238,814	6,619,531
Series F Units**	16,978	–

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

** Start date February 26, 2014.

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

Scotia CanAm Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$76,392,023	$58,185,378
Series F Units*	–	–
	76,392,023	58,185,378
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	4,869,701	11,200,679
Series F Units*	5,366	–
	4,875,067	11,200,679
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	4,037,199	3,121,185
Series F Units*	227,000	–
Payments on redemption		
Series A Units	(6,866,983)	(5,196,414)
Series F Units*	(125,000)	–
	(2,727,784)	(2,075,229)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	2,039,917	9,125,450
Series F Units*	107,366	–
	2,147,283	9,125,450
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	78,431,940	67,310,828
Series F Units*	107,366	–
	$78,539,306	$67,310,828

* Start date February 26, 2014.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 4,875,067	$ 11,200,679
Adjustments For:		
Net realized gain (loss) foreign exchange on cash	(56,939)	(213,986)
Purchases of non-derivative financial assets	(167,980,303)	(94,617,261)
Proceeds from sale of non-derivative financial assets	163,494,890	87,375,595
Accrued investment income	(90)	(97)
Accrued expenses	72,600	59,251
Change in margin accounts for futures contracts	2,149,439	(1,950,712)
Net cash provided by (used in) operating activities	2,554,664	1,853,469
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,306,635	3,120,089
Amounts paid on redemption of redeemable units	(6,918,076)	(5,227,310)
Net cash provided by (used in) financing activities	(2,611,441)	(2,107,221)
Net gain (loss) foreign exchange on cash	56,939	213,986
Net increase (decrease) in cash	(56,777)	(253,752)
Cash at beginning of period	450,850	128,774
CASH AT END OF PERIOD	$ 451,012	$ 89,008
Interest received(1)	346,126	299,736

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEYMARKET INSTRUMENTS - 99.5%			
78,250,000	Government of Canada Treasury Bills 0.89% to 0.94% due Jul. 3, 2014 to Sep. 25, 2014	78,061,698	78,178,901
	TOTAL INVESTMENT PORTFOLIO	78,061,698	78,178,901
	Futures Contracts - 0.1%		52,104
	OTHER ASSETS, LESS LIABILITIES - 0.4%		308,301
	NET ASSETS - 100.0%		78,539,306

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

Scotia CanAm Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
INDEX FUTURES CONTRACTS

Note: As at June 30, 2014, the Scotia CanAm Index Fund held 75 futures contracts to purchase the Standard and Poor's 500 Stock Index ("S&P 500 Index") and held 374 futures contracts to purchase the S&P 500 Index E-Mini futures contracts for settlement in September 2014. These futures contracts are financial agreements to purchase the S&P 500 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the S&P 500 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
	S&P 500 Composite Stock Index			
75	Futures Contracts – Sep. 2014	38,739,612	39,054,665	315,054
374	E-Mini Futures Contracts – Sep. 2014	38,367,977	38,950,520	582,542
				897,596

CURRENCY FUTURES CONTRACTS

Number of Contracts		Settlement Date	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
(799)	Canadian $against U.S.$	Sep. 2014	(77,953,091)	(79,777,253)	(1,824,162)

The above currency futures contracts are financial agreements to purchase the foreign currency at a contracted price on a specific future date. However, the Fund does not intend to purchase the foreign currency on settlement. Rather, it inteneds to close out each currency futures contract before settlement by entering into equal, but offsetting currency futures contracts.

With respect to the above futures contracts, $6,076,000 of the August 14, 2014 Government of Canada Treasury Bills are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A by Standard & Poor's.

Scotia CanAm Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index. The Fund currently tracks the Standard & Poor's 500 Index (S&P Index). The portfolio advisor aims to track the performance of the S&P Index as closely as possible by using futures contracts that are linked to the performance of the S&P Index. It invests the balance of its assets in cash and Canadian treasury bills and other short-term debt instruments guaranteed by the Government of Canada. The Fund will only use derivatives as permitted by securities regulations. The Fund can invest up to 100% of its assets in foreign securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$78,178,901	$73,693,488	$56,305,224
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$78,178,901	$73,693,488	$56,305,224

* Earlier of maturity or interest reset date. Excludes cash.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	(1,168,566)	(1.5)	(116,857)	(0.2)

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	2,120,854	2.8	212,085	0.3

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	906,063	1.6	90,606	0.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.3% (December 31, 2013 – 99.5%, January 1, 2013 – 99.8%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $7,800,518 (December 31, 2013 – $7,598,338, January 1, 2013 – $5,806,319). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
Short-Term Rating						
R1-High	100.0	99.5	100.0	96.5	100.0	96.8
Total	100.0	99.5	100.0	96.5	100.0	96.8

v) Liquidity risk (note 3)

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$154,643	$ –	$8,136	$ –	$57,539
Redeemable units	78,539,306	–	76,392,023	–	58,185,378	–
	$78,539,306	$154,643	$76,392,023	$8,136	$58,185,378	$57,539

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Treasury Bills	99.5	96.5	96.8
Futures Contracts	0.1	2.9	3.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$78,178,901	$ –	$78,178,901
Futures Contracts (Long)	897,596	–	–	897,596
	897,596	78,178,901	–	79,076,497
Futures Contracts (Short)	(1,824,162)	–	–	(1,824,162)
	$ (926,566)	$78,178,901	$ –	$77,252,335

December 31, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$73,693,488	$ –	$73,693,488
Futures Contracts (Long)	3,045,961	–	–	3,045,961
	3,045,961	73,693,488	–	76,739,449
Futures Contracts (Short)	(23,681)	–	–	(23,681)
	$ 3,022,280	$73,693,488	$ –	$76,715,768

January 1, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$56,305,224	$ –	$56,305,224
Futures Contracts (Short)	237,316	–	–	237,316
	237,316	56,305,224	–	56,542,540
Futures Contracts (Long)	445,747	–	–	445,747
	$ 683,063	$56,305,224	$ –	$56,988,287

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Nasdaq Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$33,901,492	$28,698,678	$17,824,726
Cash	1,420,597	1,473,366	321,564
Accrued investment income	547	588	108
Subscriptions receivable	36,476	81,578	13,226
Margin deposited on futures	1,183,965	1,080,366	770,253
	36,543,077	31,334,576	18,929,877
LIABILITIES			
Current liabilities			
Distributions payable	–	6,087	917
Redemptions payable	51,580	26,265	35,169
Accrued expenses	32,725	–	–
	84,305	32,352	36,086
Net Assets attributable to holders of redeemable units	$36,458,772	$31,302,224	$18,893,791
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$36,456,772	$30,717,795	$18,880,024
Series F Units	$ 2,000	$ 584,429	$ 13,767
UNITS OUTSTANDING			
Series A Units	5,335,007	4,828,491	3,387,629
Series F Units	288	90,624	2,453
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 6.83	$ 6.36	$ 5.57
Series F Units	$ 6.94	$ 6.45	$ 5.61

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 61,659	$ 9,655
Index futures contracts income	2,565,705	1,834,614
Net realized gain (loss) on futures contracts	(77,305)	(1,939)
Net gain (loss) foreign exchange	1,122,280	938,789
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(1,076,439)	265,026
Net gain (loss) on investments	2,595,900	3,046,145
Securities lending	352	6
Other income	2,864	495
Total income (loss)	2,599,116	3,046,646
EXPENSES		
Management fees (note 5)	138,433	82,497
Harmonized Sales Tax/Goods and Services Tax	16,988	11,402
Audit fees	420	289
Independent Review Committee fees	52	36
Custodian fees	269	270
Filing fees	10,627	7,764
Legal fees	111	97
Unitholder reporting costs	3,756	3,675
Unitholder administration and service fees	16,171	14,444
Overdraft charges	–	115
Transaction costs	4,365	2,861
Total expenses	191,192	123,450
Absorbed expenses	(3,797)	(1,853)
Net expenses	187,395	121,597
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 2,411,721	$2,925,049
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 2,398,838	$2,922,930
Series F Units	$ 12,883	$ 2,119
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.46	$ 0.84
Series F Units	$ 0.22	$ 0.86
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	5,255,986	3,471,106
Series F Units	59,450	2,453

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia Nasdaq Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$30,717,795	$18,880,024
Series F Units	584,429	13,767
	31,302,224	18,893,791
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,398,838	2,922,930
Series F Units	12,883	2,119
	2,411,721	2,925,049
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	7,897,537	3,369,335
Series F Units	46,600	–
Payments on redemption		
Series A Units	(4,557,398)	(2,550,453)
Series F Units	(641,912)	–
	2,744,827	818,882
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	5,738,977	3,741,812
Series F Units	(582,429)	2,119
	5,156,548	3,743,931
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	36,456,772	22,621,836
Series F Units	2,000	15,886
	$36,458,772	$22,637,722

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,411,721	$ 2,925,049
Adjustments For:		
Net realized gain (loss) foreign exchange on cash	(1,122,280)	(938,789)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	1,076,439	(265,026)
Purchases of non-derivative financial assets	(104,351,425)	(35,058,564)
Proceeds from sale of non-derivative financial assets	98,072,172	31,348,221
Accrued investment income	41	2
Accrued expenses	32,725	19,603
Change in margin accounts for futures contracts	(103,599)	312,870
Net cash provided by (used in) operating activities	(3,984,206)	(1,656,635)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,989,239	3,338,695
Amounts paid on redemption of redeemable units	(5,173,995)	(2,582,921)
Distributions to unitholders of redeemable units	(6,087)	(917)
Net cash provided by (used in) financing activities	2,809,157	754,857
Net gain (loss) foreign exchange on cash	1,122,280	938,789
Net increase (decrease) in cash	(1,175,049)	(901,778)
Cash at beginning of period	1,473,366	321,564
CASH AT END OF PERIOD	$ 1,420,597	$ 358,575
Interest received(1)	61,700	9,657

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 93.0%			
3,500,000	Government of Canada Treasury Bills 0.89% to 0.94% due from Jul. 3, 2014 to Aug. 28, 2014	3,491,350	3,496,648
28,500,000 (U.S.)	United States Treasury Bills 0.01% to 0.03% due Jul. 3, 2014 Jul. 3, 2014 to Jul. 24, 2014	31,074,713	30,404,844
	TOTAL INVESTMENT PORTFOLIO	34,566,063	33,901,492
	Futures Contracts – 3.2%		1,183,965
	OTHER ASSETS, LESS LIABILITIES – 3.8%		1,373,315
	NET ASSETS – 100.0%		36,458,772

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

Scotia Nasdaq Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
INDEX FUTURES CONTRACTS

Note: As at June 30, 2014 the Fund held 5 futures contracts to purchase the Nasdaq 100 Index and held 418 futures contracts to purchase the Nasdaq 100 Index E-Mini futures contracts for settlement in September 2014. These futures contracts are financial agreements to purchase the Nasdaq 100 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the Nasdaq 100 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
	Nasdaq 100 Index			
5	Futures Contracts – Sep. 2014	2,022,425	2,048,616	26,191
418	E-Mini Futures Contracts – Sep. 2014	33,815,494	34,252,864	437,370
				463,561

With respect to the above futures contracts, $1,094,000 of the July 17, 2014 U.S. Treasury Bills are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A by Standard & Poor's.

Scotia Nasdaq Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index (Nasdaq). The Fund aims to track the performance of the index as closely as possible by primarily investing in derivatives such as options, futures and forward contracts that are linked to the performance of the Nasdaq. The portfolio advisor may choose to invest directly in stocks that are included in the Nasdaq. The Fund invests the balance of its assets in cash and money market instruments. This allows the Fund to cover its positions in the derivatives. The Fund will only use derivatives as permitted by securities regulations. The Fund can invest up to 100% of its assets in foreign securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2013	December 31, 2013	January 1, 2013
Less than 1 year	$33,901,492	$28,698,678	$17,824,726
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$33,901,492	$28,698,678	$17,824,726

* Earlier of maturity or interest reset date. Excludes cash.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	32,102,543	88.1	3,210,254	8.8
Total	32,102,543	88.1	3,210,254	8.8

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	26,073,578	87.9	2,607,358	8.8
Total	26,073,578	87.9	2,607,358	8.8

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	17,939,501	94.4	1,793,950	9.4
Total	17,939,501	94.4	1,793,950	9.4

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.6% (December 31, 2013 – 99.5%, January 1, 2013 – 99.7%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $3,630,148 (December 31, 2013 – $3,114,533, January 1, 2013 – $1,883,717). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
R1-High	10.3	9.6	24.5	22.4	100.0	94.3
R1-Middle	89.7	83.4	75.5	69.2	–	–
Total	100.0	93.0	100.0	91.6	100.0	94.3

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$84,305	$ –	$32,352	$ –	$36,086
Redeemable units	36,458,772	–	31,302,224	–	18,893,791	–
	$36,458,772	$84,305	$31,302,224	$32,352	$18,893,791	$36,086

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Nasdaq Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Money Market Instruments	93.0	91.6	94.3
Futures Contracts	3.2	3.5	4.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$33,901,492	$ –	$33,901,492
Futures Contracts (Long)	463,561	–	–	463,562
	$463,561	$33,901,492	$ –	$34,365,054

December 31, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$28,698,678	$ –	$28,698,678
Futures Contracts (Long)	707,935	–	–	707,935
	$707,935	$28,698,678	$ –	$29,406,613

January 1, 2013	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$17,824,726	$ –	$17,824,726
Futures Contracts (Long)	(8,071)	–	–	(8,071)
	$ (8,071)	$17,824,726	$ –	$17,816,655

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia International Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$25,974,416	$24,705,248	$32,113,091
Cash	464,560	296,175	332,205
Accrued investment income	329	326	87
Subscriptions receivable	15,692	18,780	8,298
Margin deposited on futures	1,053,466	1,246,874	2,314,006
	27,508,463	26,267,403	34,767,687
LIABILITIES			
Current liabilities			
Redemptions payable	6,403	17,621	30,430
Accrued expenses	25,488	–	–
Payable for futures contracts	297,800	–	–
	329,691	17,621	30,430
Net Assets attributable to holders of redeemable units	$27,178,772	$26,249,782	$34,737,257
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$27,178,772	$26,249,782	$20,358,798
Series F Units	$ –	$ –	$ 1,616
Series I Units	$ –	$ –	$14,376,843
UNITS OUTSTANDING			
Series A Units	2,920,938	2,945,295	2,975,878
Series F Units	–	–	234
Series I Units	–	–	1,937,559
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 9.30	$ 8.91	$ 6.84
Series F Units	$ –	$ –	$ 6.90
Series I Units	$ –	$ –	$ 7.42

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 158,451	$ 211,924
Index futures contracts income	658,989	3,342,552
Net realized gain (loss) on non-derivative financial assets	(44,085)	(34,755)
Net realized gain (loss) on futures contracts	859,696	(196,159)
Net gain (loss) foreign exchange	26,931	(66,530)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	24,494	2,241
Change in unrealized appreciation (depreciation) of currency futures	(359,014)	163,802
Net gain (loss) on investments	1,325,462	3,423,075
Securities lending	940	1,787
Other income	142	556
Total income (loss)	1,326,544	3,425,418
EXPENSES		
Management fees (note 5)	108,194	85,944
Harmonized Sales Tax/Goods and Services Tax	13,756	12,220
Audit fees	388	465
Independent Review Committee fees	40	62
Custodian fees	718	801
Filing fees	6,448	7,631
Legal fees	86	167
Unitholder reporting costs	4,652	4,749
Unitholder administration and service fees	17,708	21,806
Overdraft charges	2,664	3,965
Transaction costs	12,120	16,401
Total expenses	166,774	154,211
Absorbed expenses	–	(417)
Net expenses	166,774	153,794
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$1,159,770	$3,271,624
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$1,159,770	$1,902,770
Series F Units	$ –	$ 89
Series I Units	$ –	$1,368,765
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.39	$ 0.64
Series F Units	$ –	$ 0.38
Series I Units	$ –	$ 0.79
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	2,957,921	2,969,656
Series F Units	–	234
Series I Units	–	1,734,123

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia International Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$26,249,782	$20,358,798
Series F Units	–	1,616
Series I Units	–	14,376,843
	26,249,782	34,737,257
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	1,159,770	1,902,770
Series F Units	–	89
Series I Units	–	1,368,765
	1,159,770	3,271,624
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	2,650,471	2,176,806
Series I Units	–	40,000
Payments on redemption		
Series A Units	(2,881,251)	(2,469,901)
Series F Units	–	(1,705)
Series I Units	–	(2,587,199)
	(230,780)	(2,841,999)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	928,990	1,609,675
Series F Units	–	(1,616)
Series I Units	–	(1,178,434)
	928,990	429,625
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	27,178,772	21,968,473
Series I Units	–	13,198,409
	$27,178,772	$35,166,882

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,159,770	3,271,624
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	44,085	34,755
Net realized gain (loss) foreign exchange on cash	(26,931)	66,530
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(24,494)	(2,241)
Purchases of non-derivative financial assets	(58,488,759)	(99,450,321)
Proceeds from sale of non-derivative financial assets	57,200,000	98,200,341
Accrued investment income	(3)	(6,569)
Accrued expenses	25,488	21,214
Change in margin accounts for futures contracts	491,208	491,103
Net cash provided by (used in) operating activities	380,364	2,626,436
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,653,559	2,209,108
Amounts paid on redemption of redeemable units	(2,892,469)	(5,066,519)
Net cash provided by (used in) financing activities	(238,910)	(2,857,411)
Net gain (loss) foreign exchange on cash	26,931	(66,530)
Net increase (decrease) in cash	141,454	(230,975)
Cash at beginning of period	296,175	332,205
CASH AT END OF PERIOD	$ 464,560	$ 34,700
Interest received(1)	163,952	205,355

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 95.6%			
Treasury Bills – 44.1%			
1,000,000	Government of Canada 0.89% due Jul. 3, 2014	997,620	999,951
5,000,000	Government of Canada 0.94% due Jul. 31, 2014	4,987,450	4,996,158
3,000,000	Government of Canada 0.94% due Aug. 14, 2014	2,992,440	2,996,606
1,000,000	Government of Canada 0.93% due Sep. 11, 2014	997,510	998,171
2,000,000	Government of Canada 0.93% due Sep. 25, 2014	1,995,020	1,995,630
		11,970,040	11,986,516
Bankers' Acceptances – 33.1%			
1,000,000	Canadian Imperial Bank of Commerce 1.13% due Jul. 15, 2014	999,100	999,566
1,000,000	Canadian Imperial Bank of Commerce 1.13% due Jul. 16, 2014	997,440	999,537
1,000,000	HSBC Bank Canada 1.17% due Aug. 11, 2014	998,210	998,689
1,000,000	National Bank of Canada 1.13% due Jul. 17, 2014	997,410	999,507
1,000,000	National Bank of Canada 1.15% due Sep. 30, 2014	997,110	997,141
2,000,000	Royal Bank of Canada 1.13% due Jul. 17, 2014	1,998,200	1,999,008
2,000,000	Toronto-Dominion Bank, The 1.13% due Jul. 2, 2014	1,998,140	1,999,938
		8,985,610	8,993,386
Bearers' Deposit Notes – 14.7%			
1,000,000	Bank of Montreal 1.13% due Jul. 22, 2014	996,940	999,351
1,000,000	BNP Paribas 1.19% due Sep. 12, 2014	997,040	997,625
1,000,000	Caisse Centrale Desjardins 1.13% due Jul. 14, 2014	999,040	999,597
1,000,000	Sumitomo Mitsui Banking Corp. 1.23% due Sep. 30, 2014	995,970	996,944
		3,988,990	3,993,517
Short-Term Bonds – 3.7%			
1,000,000	Bank of Montreal 1.59% due Sep. 12, 2014	1,001,953	1,000,997
	TOTAL INVESTMENT PORTFOLIO	25,946,593	25,974,416
	Futures Contracts – 2.8%		755,667
	OTHER ASSETS, LESS LIABILITIES – 1.6%		448,689
	NET ASSETS – 100.0%		27,178,772

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

Scotia International Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
INDEX FUTURES CONTRACTS

Number of Contracts	Issuer/Country Index	Settlement Date	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
26	EUROPE DJ EURO STOXX 50	Sep. 2014	1,241,237	1,227,533	(13,704)
42	FRANCE CAC 40 Index	Sep. 2014	2,783,102	2,714,269	(68,833)
7	GERMANY DAX Index	Sep. 2014	2,537,918	2,520,469	(17,449)
5	ITALY FTSE MIB Index	Sep. 2014	800,149	777,981	(22,168)
6	NETHERLANDS Amsterdam Index	Jul. 2014	725,186	724,407	(779)
6	SPAIN IBEX 35 Plus Index	Jul. 2014	959,383	951,458	(7,925)
46	SWEDEN OMX Index	Jul. 2014	1,019,900	1,012,687	(7,213)
24	SWITZERLAND Swiss Market Index	Sep. 2014	2,499,819	2,467,905	(31,914)
48	UNITED KINGDOM FTSE 100 Index	Sep. 2014	5,885,791	5,881,038	(4,753)
16	AUSTRALIA ASX SPI 200	Sep. 2014	2,154,655	2,154,310	(345)
7	HONG KONG Hang Seng Index	Jul. 2014	1,096,570	1,113,101	16,531
41	JAPAN Topix Index	Sep. 2014	5,336,025	5,451,145	115,120
					(43,432)

CURRENCY FUTURES CONTRACTS

Number of Contracts		Settlement Date	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
21	Australian $ against U.S.$	Sep. 2014	2,085,460	2,100,582	15,123
51	British Pound against U.S.$	Sep. 2014	5,707,194	5,813,292	106,098
38	Japanese Yen against U.S.$	Sep. 2014	4,953,765	5,006,721	52,956
16	Swiss Franc against U.S.$	Sep. 2014	2,379,393	2,408,304	28,912
55	Euro against U.S.$	Sep. 2014	9,937,189	10,046,915	109,726
(266)	Canadian $ against U.S.$	Sep. 2014	(25,951,842)	(26,559,135)	(607,293)
					(294,478)

The above index futures and currency futures contracts are financial agreements to purchase the indices and foreign currencies at a contracted price on a specific future date. However, the Fund does not intend to purchase the indices and foreign currencies on settlement. Rather, it intends to close out each index futures contract and currency futures contract before settlement by entering into equal, but offsetting index futures contracts and currency futures contracts.

With respect to the above futures contracts, $2,424,000 of the August 14, 2014 Government of Canada Treasury Bills are held on margin.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A by Standard & Poor's.

Scotia International Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It currently tracks the performance of indexes of established markets in Europe, Australasia and the Far East. The portfolio advisor's strategy is to track the performance of the indexes as closely as possible by using futures contracts that are linked to the performance of these indexes. It invests the balance of its assets in cash and money market instruments. This allows the Fund to cover its positions in the futures contracts. The Fund will only use derivatives as permitted by securities regulations. The Fund can invest up to 100% of its assets in foreign securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$24,705,248	$24,705,248	$32,113,091
1-3 years	–	–	–
3-5 years	–	–	–
5-10 years	–	–	–
> 10 years	–	–	–
Total	$24,705,248	$24,705,248	$32,113,091

* Earlier of maturity or interest reset date. Excludes cash.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	1,113,101	4.1	111,310	0.4
Swedish Krona	1,012,687	3.7	101,269	0.4
Japanese Yen	444,424	1.6	44,442	0.2
Swiss Franc	59,601	0.2	5,960	0.0
British Pound	67,746	0.2	6,775	0.0
Australian Dollar	53,728	0.2	5,373	0.0
European Euro	(1,130,797)	(4.2)	(113,080)	(0.4)
U.S. Dollar	(1,302,423)	(4.8)	(130,242)	(0.5)
Total	318,067	1.0	31,807	0.1

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	1,118,882	4.3	111,888	0.4
Swedish Krona	984,774	3.8	98,477	0.4
Japanese Yen	275,256	1.0	27,526	0.1
Swiss Franc	94,270	0.4	9,427	0.0
British Pound	58,338	0.2	5,834	0.0
Australian Dollar	37,690	0.1	3,769	0.0
European Euro	(997,618)	(3.8)	(99,762)	(0.4)
U.S. Dollar	(1,245,110)	(4.7)	(124,511)	(0.5)
Total	326,481	1.3	32,648	0.1

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Hong Kong Dollar	1,743,632	5.0	174,363	0.5
Swedish Krona	1,179,455	3.4	117,946	0.3
Japanese Yen	747,877	2.2	74,788	0.2
Swiss Franc	21,758	0.1	2,176	0.0
British Pound	80,093	0.2	8,009	0.0
Australian Dollar	4,328	0.0	433	0.0
European Euro	(604,345)	(1.7)	(60,435)	(0.2)
U.S. Dollar	(1,484,674)	(4.3)	(148,467)	(0.4)
Total	1,688,124	4.9	168,812	0.5

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.3% (December 31, 2013 – 99.5%, January 1, 2013 – 99.3%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $2,699,630 (December 31, 2013 – $2,610,545, January 1, 2013 – $3,450,879). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
Short-Term Rating						
R1-High	80.8	77.2	81.7	76.9	63.5	58.7
R1-Middle	7.7	7.4	8.1	7.6	13.4	12.4
R1-Low	7.6	7.3	–	–	8.7	8.1
Bond Credit Rating						
AA	3.9	3.7	4.1	3.8	9.6	8.9
A	–	–	6.1	5.8	4.8	4.4
Total	100.0	95.6	100.0	94.1	100.0	92.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$ 31,891	$ –	$17,621	$ –	$30,430
Payable for futures contracts	–	297,800	–	–	–	–
Redeemable units	27,128,772	–	35,166,883	–	34,737,257	–
	$27,128,772	$329,691	$26,249,782	$17,621	$34,737,257	$30,430

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Treasury Bills	44.1	44.9	40.5
Deposit Notes	–	–	4.2
Bankers' Acceptances	33.1	23.2	20.0
Bearers' Deposit Notes	14.7	12.6	8.6
Commercial Paper	–	3.8	5.8
Short-Term Bonds	3.7	9.6	13.3
Futures Contracts	2.8	4.8	6.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Money Market Instruments	$ –	$25,974,416	$ –	$25,974,416
Futures Contracts (Long)	269,383	–	–	269,383
	269,383	25,974,416	–	26,243,799
Futures Contracts (Short)	(607,293)	–	–	(607,293)
	$(337,910)	$25,974,416	$ –	$25,636,506

December 31, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$24,705,248	$ –	$24,705,248
Futures Contracts (Long)	962,960	–	–	962,960
	962,960	$24,705,248	–	25,668,208
Futures Contracts (Short)	8,191	–	–	8,191
	$ 971,151	$24,705,248	$ –	$25,676,399

January 1, 2013	Level 1	Level 2	Level 3	Total
Bond and Debenture Instruments	$ –	$32,113,091	$ –	$32,113,091
Futures Contracts (Long)	415,211	–	–	415,211
	415,211	32,113,091	–	32,528,302
Futures Contracts (Short)	254,713	–	–	254,713
	$ 669,924	$32,113,091	$ –	$32,783,015

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Selected Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$53,413,291	$36,666,437	$2,012,872
Cash	1,314,942	926,441	500,428
Accrued investment income	965	611	151
Subscriptions receivable	168,807	243,996	153,395
	54,898,005	37,837,485	2,666,846
LIABILITIES			
Current liabilities			
Payable for securities purchased	299,000	–	–
Distributions payable	912	906	1,126
Redemptions payable	16,905	41,331	–
Accrued expenses	83,347	–	–
	400,164	42,237	1,126
Net Assets attributable to holders of redeemable units	$54,497,841	$37,795,248	$2,665,720
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$54,497,841	$37,795,248	$2,665,720
UNITS OUTSTANDING			
Series A Units	5,076,048	3,684,214	265,700
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 10.74	$ 10.26	$ 10.03

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments (note 2)		
Dividends	$ 56,139	$ 730
Interest for distribution purposes	1,123,473	294,535
Capital gains distributions received	81,282	15,157
Net realized gain (loss) on non-derivative financial assets	–	(89)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,638,207	(323,517)
Net gain (loss) on investments	2,899,101	(13,184)
Other income	604	1,332
Total income (loss)	2,899,705	(11,852)
EXPENSES		
Management fees (note 5)	360,311	88,568
Harmonized Sales Tax/Goods and Services Tax	40,606	10,105
Audit fees	650	133
Independent Review Committee fees	69	20
Custodian fees	1,856	746
Filing fees	5,961	2
Legal fees	149	50
Unitholder reporting costs	2,703	2,431
Unitholder administration and service fees	7,084	1,168
Foreign withholding taxes/tax reclaims	–	27
Total expenses	419,389	103,250
Absorbed expenses	–	(1)
Net expenses	419,389	103,249
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$2,480,316	$ (115,101)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$2,480,316	$ (115,101)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.56	$ (0.10)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	4,434,508	1,148,034

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$37,795,248	$ 2,665,720
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	2,480,316	(115,101)
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(480,826)	(181,348)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	18,358,414	15,942,597
Reinvested distributions		
Series A Units	478,013	177,812
Payments on redemption		
Series A Units	(4,133,324)	(1,070,389)
	14,703,103	15,050,020
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	16,702,593	14,753,571
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$54,497,841	$17,419,291

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 2,480,316	$ (115,101)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	–	89
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,638,207)	323,517
Purchases of non-derivative financial assets	(14,809,647)	(15,089,155)
Accrued investment income	(354)	(237)
Accrued expenses	83,347	23,779
Net cash provided by (used in) operating activities	(13,884,545)	(14,857,108)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	18,433,603	16,033,532
Amounts paid on redemption of redeemable units	(4,157,750)	(1,060,834)
Distributions to unitholders of redeemable units	(2,807)	(3,836)
Net cash provided by (used in) financing activities	14,273,046	14,968,861
Net increase (decrease) in cash	388,501	111,753
Cash at beginning of period	926,441	500,428
CASH AT END OF PERIOD	$ 1,314,942	$ 612,181
Interest received(1)	1,123,119	294,298
Dividends received, net of withholding taxes(1)	56,139	703

(1) Classified as operating items.

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

Scotia Selected Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 69.9%			
938,806	CI Signature Corporate Bond Fund Class I	9,862,636	10,139,102
651,898	CI Signature Diversified Yield II Fund Series I	7,281,850	7,672,834
720,845	Scotia Bond Fund Series I	7,387,038	7,605,487
926,193	Scotia Canadian Income Fund Series I	12,352,693	12,690,787
		36,884,217	38,108,210
CANADIAN EQUITY FUNDS – 13.1%			
270,903	Dynamic Dividend Advantage Fund Series O	2,209,762	2,584,414
313,212	Dynamic Global Real Estate Fund Series O	2,420,802	2,615,319
38,443	Scotia Canadian Dividend Fund Series I	1,638,562	1,934,873
		6,269,126	7,134,606
FOREIGN EQUITY FUNDS – 15.0%			
462,822	Dynamic Alternative Yield Fund Series O	4,969,168	5,123,442
171,666	Dynamic Global Infrastructure Fund Series O	2,259,406	2,614,471
53,940	Scotia International Value Fund Series I	392,599	432,562
		7,621,173	8,170,475
	TOTAL INVESTMENT PORTFOLIO	50,774,516	53,413,291
	OTHER ASSETS, LESS LIABILITIES – 2.0%		1,084,550
	NET ASSETS – 100.0%		54,497,841

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

Scotia Selected Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by us or by other mutual fund managers.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.0% (December 31, 2013 – 97.0%, January 1, 2013 – 75.5%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $5,341,329 (December 31, 2013 – $3,666,644, January 1, 2013 – $201,287). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

i) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$400,164	$ –	$42,237	$ –	$1,126
Unrealized loss on currency forward contracts	–	–	–	–	–	–
Redeemable units	54,497,841	–	37,795,248	–	2,665,720	–
	$54,497,841	$400,164	$37,795,248	$42,237	$2,665,720	$1,126

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	69.9	68.0	45.4
Canadian Equity Funds	13.1	13.9	15.0
Foreign Equity Funds	15.0	15.1	15.1

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$53,413,291	$ –	$ –	$53,413,291

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$36,666,437	$ –	$ –	$36,666,437

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 2,012,872	$ –	$ –	$ 2,012,872

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Selected Balanced Income Portfolio (Unaudited)
(formerly, Scotia Selected Income & Modest Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$739,421,937	$651,841,570	$438,460,573
Cash	5,076,784	3,232,979	2,750,738
Accrued investment income	3,418	3,125	2,224
Subscriptions receivable	985,427	903,354	546,673
	745,487,566	655,981,028	441,760,208
LIABILITIES			
Current liabilities			
Payable for securities purchased	700,000	–	–
Distributions payable	–	34,965	25,560
Redemptions payable	465,139	391,840	96,181
Accrued expenses	1,152,896	–	–
	2,318,035	426,805	121,741
Net Assets attributable to holders of redeemable units	$743,169,531	$655,554,223	$441,638,467
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$742,299,134	$654,740,448	$440,795,812
Advisor Series Units	$ 870,397	$ 813,775	$ 842,655
UNITS OUTSTANDING			
Series A Units	56,994,057	52,919,505	37,526,288
Advisor Series Units	67,526	66,327	72,242
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.02	$ 12.37	$ 11.75
Advisor Series Units	$ 12.89	$ 12.27	$ 11.66

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,217,121	$ 1,060,414
Interest for distribution purposes	10,643,556	6,116,221
Capital gains distributions received	–	1,511,154
Net realized gain (loss) on non-derivative financial assets	703,255	(384,055)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	29,676,876	5,959,665
Net gain (loss) on investments	42,240,808	14,263,399
Other income	7,058	7,403
Total income (loss)	42,247,866	14,270,802
EXPENSES		
Management fees (note 5)	5,617,141	3,765,819
Harmonized Sales Tax/Goods and Services Tax	648,487	445,579
Audit fees	7,567	5,605
Independent Review Committee fees	1,045	825
Custodian fees	477	252
Filing fees	22,150	18,574
Legal fees	2,233	2,008
Unitholder reporting costs	15,858	12,611
Unitholder administration and service fees	113,351	88,083
Foreign withholding taxes/tax reclaims	–	10,690
Total expenses	6,428,309	4,350,046
Absorbed expenses	(5,935)	(5,897)
Net expenses	6,422,374	4,344,149
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$35,825,492	$ 9,926,653
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$35,785,267	$ 9,915,733
Advisor Series Units	$ 40,225	$ 10,920
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.65	$ 0.25
Advisor Series Units	$ 0.61	$ 0.15
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	55,402,847	39,670,717
Advisor Series Units	65,531	74,973

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$654,740,448	$440,795,812
Advisor Series Units	813,775	842,655
	655,554,223	441,638,467
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	35,785,267	9,915,733
Advisor Series Units	40,225	10,920
	35,825,492	9,926,653
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	109,447,582	84,816,569
Advisor Series Units	100,442	93,845
Payments on redemption		
Series A Units	(57,674,163)	(37,234,584)
Advisor Series Units	(84,045)	(79,062)
	51,789,816	47,596,768
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	87,558,687	57,497,718
Advisor Series Units	56,622	25,703
	87,615,309	57,523,421
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	742,299,134	498,293,530
Advisor Series Units	870,397	868,358
	$743,169,531	$499,161,888

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 35,825,492	$ 9,926,653
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(703,255)	384,055
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(29,676,876)	(5,959,665)
Purchases of non-derivative financial assets	(59,810,236)	(52,902,226)
Proceeds from sale of non-derivative financial assets	3,310,000	1,050,021
Accrued investment income	(293)	(93)
Accrued expenses	1,152,896	706,282
Net cash provided by (used in) operating activities	(49,902,272)	(46,794,973)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	109,465,491	84,586,703
Amounts paid on redemption of redeemable units	(57,684,909)	(37,204,720)
Distributions to unitholders of redeemable units	(34,505)	(25,560)
Net cash provided by (used in) financing activities	51,746,077	47,356,423
Net increase (decrease) in cash	1,843,805	561,450
Cash at beginning of period	3,232,979	2,750,738
CASH AT END OF PERIOD	$ 5,076,784	$ 3,312,188
Interest received(1)	10,643,263	6,116,128
Dividends received, net of withholding taxes(1)	1,217,121	1,049,724

(1) Classified as operating items.

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

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Income & Modest Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 63.4%			
4,352,695	CI Signature Corporate Bond Fund Class I	45,991,936	47,009,110
6,860,836	Dynamic Aurion Total Return Bond Series O	68,707,311	70,598,003
6,477,925	Dynamic High Yield Bond Fund Series O	25,262,929	23,644,425
13,403,647	Scotia Bond Fund Series I	137,661,300	141,419,190
10,319,627	Scotia Canadian Income Fund Series I	137,158,030	141,400,559
4,404,318	Scotia Mortgage Income Fund Series I	47,389,970	47,047,802
		462,171,476	471,119,089
CANADIAN EQUITY FUNDS – 18.9%			
2,267,710	CI Cambridge Canadian Equity Corporate Class I	31,074,016	42,814,374
2,168,940	Dynamic Small Business Fund Series O	29,456,872	35,462,176
1,233,936	Scotia Canadian Dividend Fund Series I	47,701,277	62,105,484
		108,232,165	140,382,034
FOREIGN EQUITY FUNDS – 17.2%			
4,227,784	Scotia Global Dividend Fund Series I	53,200,014	64,362,943
540,300	Scotia Global Growth Fund Series I	17,455,825	26,176,635
2,088,165	Scotia International Value Fund Series I	14,096,281	16,745,618
1,547,292	Scotia U.S. Dividend Fund Series I	16,460,118	20,635,619
		101,212,238	127,920,815
	TOTAL INVESTMENT PORTFOLIO	671,615,879	739,421,937
	OTHER ASSETS, LESS LIABILITIES – 0.5%		3,747,594
	NET ASSETS – 100.0%		743,169,531

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

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Income & Modest Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by us and other mutual fund managers.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.4%, January 1, 2013 – 99.2%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $73,942,194 (December 31, 2013 – $65,184,157, January 1, 2013 – $43,846,057). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,318,035	$ –	$426,805	$ –	$121,741
Redeemable units	743,169,531	–	655,554,223	–	441,638,467	–
	$743,169,531	$2,318,035	$655,554,223	$426,805	$441,638,467	$121,741

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	**December 31, 2013**	**January 1, 2013**
Fixed Income Funds	63.4	63.0	63.9
Canadian Equity Funds	18.9	18.6	17.9
Foreign Equity Funds	17.2	17.8	17.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$739,421,937	$ –	$ –	$739,421,937

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$651,841,570	$ –	$ –	$651,841,570

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$438,460,573	$ –	$ –	$438,460,573

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Selected Balanced Growth Portfolio (Unaudited)
(formerly, Scotia Selected Balanced Income & Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,289,088,439	$1,176,250,488	$977,478,143
Cash	6,150,748	5,980,292	2,785,636
Accrued investment income	3,635	5,118	2,742
Subscriptions receivable	1,213,677	1,238,846	795,417
	1,296,456,499	1,183,474,744	981,061,938
LIABILITIES			
Current liabilities			
Distributions payable	–	5,669	10,273
Redemptions payable	928,570	590,312	410,119
Accrued expenses	2,185,999	–	–
	3,114,569	595,981	420,392
Net Assets attributable to holders of redeemable units	$1,293,341,930	$1,182,878,763	$980,641,546
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$1,293,217,744	$1,182,814,985	$980,480,728
Advisor Series Units	$ 124,186	$ 63,778	$ 69,734
Series F Units	$ –	$ –	$ 91,084
UNITS OUTSTANDING			
Series A Units	87,204,322	84,362,178	78,460,076
Advisor Series Units	8,555	4,636	5,659
Series F Units	–	–	7,406
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 14.83	$ 14.02	$ 12.50
Advisor Series Units	$ 14.52	$ 13.76	$ 12.32
Series F Units	$ –	$ –	$ 12.30

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 3,256,647	$ 1,638,158
Interest for distribution purposes	14,510,272	12,357,022
Capital gains distributions received	–	2,006,302
Net realized gain (loss) on non-derivative financial assets	13,178,022	1,146,928
Change in unrealized appreciation (depreciation) of non-derivative financial assets	50,954,295	40,575,097
Net gain (loss) on investments	81,899,236	57,723,507
Other income	12,018	6,577
Total income (loss)	81,911,254	57,730,084
EXPENSES		
Management fees (note 5)	10,850,872	8,808,268
Harmonized Sales Tax/Goods and Services Tax	1,222,873	1,023,074
Audit fees	13,368	11,981
Independent Review Committee fees	1,845	1,766
Custodian fees	492	825
Filing fees	29,030	26,941
Legal fees	3,941	4,289
Unitholder reporting costs	26,902	23,807
Unitholder administration and service fees	202,429	184,287
Total expenses	12,351,752	10,085,238
Absorbed expenses	(6,603)	(7,211)
Net expenses	12,345,149	10,078,027
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$69,566,105	$47,652,057
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$69,561,652	$47,643,768
Advisor Series Units	$ 4,453	$ 2,835
Series F Units	$ –	$ 5,454
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.81	$ 0.61
Advisor Series Units	$ 0.67	$ 0.51
Series F Units	$ –	$ 0.75
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	86,321,810	78,723,222
Advisor Series Units	6,604	5,598
Series F Units	–	7,313

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$1,182,814,985	$ 980,480,728
Advisor Series Units	63,778	69,734
Series F Units	–	91,084
	1,182,878,763	980,641,546
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	69,561,652	47,643,768
Advisor Series Units	4,453	2,835
Series F Units	–	5,454
	69,566,105	47,652,057
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	132,826,225	91,234,470
Advisor Series Units	61,588	300
Payments on redemption		
Series A Units	(91,985,118)	(84,155,814)
Advisor Series Units	(5,633)	(1,883)
Series F Units	–	(96,538)
	40,897,062	6,980,535
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	110,402,759	54,722,424
Advisor Series Units	60,408	1,252
Series F Units	–	(91,084)
	110,463,167	54,632,592
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	1,293,217,744	1,035,203,152
Advisor Series Units	124,186	70,986
	$1,293,341,930	$1,035,274,138

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 69,566,105	$ 47,652,057
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(13,178,022)	(1,146,928)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(50,954,295)	(40,575,097)
Purchases of non-derivative financial assets	(104,308,373)	(32,581,925)
Proceeds from sale of non-derivative financial assets	55,602,739	17,750,060
Accrued investment income	1,483	668
Accrued expenses	2,185,999	1,594,103
Net cash provided by (used in) operating activities	(41,084,364)	(7,307,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	132,913,120	91,597,495
Amounts paid on redemption of redeemable units	(91,652,493)	(83,734,733)
Distributions to unitholders of redeemable units	(5,807)	(10,273)
Net cash provided by (used in) financing activities	41,254,820	7,852,489
Net increase (decrease) in cash	170,456	545,427
Cash at beginning of period	5,980,292	2,785,636
CASH AT END OF PERIOD	$ 6,150,748	$ 3,331,063
Interest received(1)	14,511,755	12,357,690
Dividends received, net of withholding taxes(1)	3,256,647	1,638,158

(1) Classified as operating items.

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

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Balanced Income & Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 42.6%			
5,154,228	CI Signature Corporate Bond Fund Class I	54,497,102	55,665,664
13,234,256	Dynamic Aurion Total Return Bond Series O	133,749,325	136,180,494
15,279,406	Dynamic High Yield Bond Fund Series O	60,556,156	55,769,832
10,506,263	Scotia Bond Fund Series I	107,312,486	110,849,466
9,932,283	Scotia Canadian Income Fund Series I	129,954,043	136,093,138
5,236,578	Scotia Mortgage Income Fund Series I	56,456,894	55,938,178
		542,526,006	550,496,772
CANADIAN EQUITY FUNDS – 29.7%			
6,999,814	CI Cambridge Canadian Equity Corporate Class I	91,290,572	132,156,481
5,855,361	Dynamic Small Business Fund Series O	78,169,658	95,735,150
3,111,098	Scotia Canadian Dividend Fund Series I	113,100,363	156,585,302
		282,560,593	384,476,933
FOREIGN EQUITY FUNDS – 27.4%			
8,215,646	Scotia Global Dividend Fund Series I	100,925,961	125,073,355
1,892,103	Scotia Global Growth Fund Series I	59,587,612	91,669,161
2,351,831	Scotia Global Opportunities Fund Series I	26,664,847	26,333,924
2,261,585	Scotia Global Small Cap Fund Series I	20,409,925	19,982,012
4,851,774	Scotia International Value Fund Series I	32,664,450	38,907,827
3,910,176	Scotia U.S. Dividend Fund Series I	39,918,486	52,148,455
		280,171,281	354,114,734
	TOTAL INVESTMENT PORTFOLIO	1,105,257,880	1,289,088,439
	OTHER ASSETS, LESS LIABILITIES – 0.3%		4,253,491
	NET ASSETS – 100.0%		1,293,341,930

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

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Balanced Income & Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and other mutual fund managers. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.7% (December 31, 2013 – 99.5%, January 1, 2013 – 99.7%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $128,908,843 (December 31, 2013 – $117,625,049, January 1, 2013 – $97,747,814). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,114,569	$ –	$595,981	$ –	$420,392
Redeemable units	1,293,341,930	–	1,182,878,763	–	980,641,546	–
	$1,293,341,930	$3,114,569	$1,182,878,763	$595,981	$980,641,546	$420,392

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	42.6	42.6	44.6
Canadian Equity Funds	29.7	28.7	27.9
Foreign Equity Funds	27.4	28.2	27.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,289,088,439	$ –	$ –	$1,289,088,439

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,176,250,488	$ –	$ –	$1,176,250,488

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 977,478,143	$ –	$ –	$ 977,478,143

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Selected Growth Portfolio (Unaudited)
(formerly, Scotia Selected Moderate Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$866,153,818	$772,075,975	$602,259,063
Cash	5,571,949	3,912,191	2,107,555
Accrued investment income	3,937	3,260	1,481
Subscriptions receivable	878,294	894,751	382,335
	872,607,998	776,886,177	604,750,434
LIABILITIES			
Current liabilities			
Payable for securities purchased	100,000	–	–
Distributions payable	–	–	38
Redemptions payable	433,112	140,940	379,109
Accrued expenses	1,588,193	–	–
	2,121,305	140,940	379,147
Net Assets attributable to holders of redeemable units	$870,486,693	$776,745,237	$604,371,287
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$870,321,102	$776,683,170	$604,318,280
Advisor Series Units	$ 35,532	$ 33,570	$ 29,597
Series F Units	$ 130,059	$ 28,497	$ 23,410
UNITS OUTSTANDING			
Series A Units	52,093,765	49,285,608	45,514,463
Advisor Series Units	2,246	2,246	2,388
Series F Units	7,516	1,756	1,756
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 16.71	$ 15.76	$ 13.28
Advisor Series Units	$ 15.82	$ 14.95	$ 12.39
Series F Units	$ 17.30	$ 16.23	$ 13.33

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments (note 2)		
Dividends	$ 1,847,653	$ 1,024,405
Interest for distribution purposes	6,809,161	5,510,703
Capital gains distributions received	–	1,253,939
Net realized gain (loss) on non-derivative financial assets	14,565,194	(367,930)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	33,624,915	39,506,672
Net gain (loss) on investments	56,846,923	46,927,789
Other income	7,384	10,840
Total income (loss)	56,854,307	46,938,629
EXPENSES		
Management fees (note 5)	7,841,688	5,980,183
Harmonized Sales Tax/Goods and Services Tax	845,949	668,673
Audit fees	8,875	7,508
Independent Review Committee fees	1,228	1,104
Custodian fees	395	610
Filing fees	27,738	22,476
Legal fees	2,625	2,685
Unitholder reporting costs	18,739	15,976
Unitholder administration and service fees	135,572	117,186
Total expenses	8,882,809	6,816,401
Absorbed expenses	(10,688)	(8,228)
Net expenses	8,872,121	6,808,173
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$47,982,186	$40,130,456
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$47,976,576	$40,125,919
Advisor Series Units	$ 1,962	$ 2,518
Series F Units	$ 3,648	$ 2,019
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.94	$ 0.87
Advisor Series Units	$ 0.87	$ 1.05
Series F Units	$ 0.71	$ 1.15
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	50,993,229	45,888,260
Advisor Series Units	2,246	2,388
Series F Units	5,136	1,756

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$776,683,170	$604,318,280
Advisor Series Units	33,570	29,597
Series F Units	28,497	23,410
	776,745,237	604,371,287
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	47,976,576	40,125,919
Advisor Series Units	1,962	2,518
Series F Units	3,648	2,019
	47,982,186	40,130,456
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	105,058,669	70,270,767
Series F Units	97,914	–
Payments on redemption		
Series A Units	(59,397,313)	(58,859,791)
	45,759,270	11,410,976
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	93,637,932	51,536,895
Advisor Series Units	1,962	2,518
Series F Units	101,562	2,019
	93,741,456	51,541,432
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	870,321,102	655,855,175
Advisor Series Units	35,532	32,115
Series F Units	130,059	25,429
	$870,486,693	$655,912,719

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 47,982,186	$ 40,130,456
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(14,565,194)	367,930
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(33,624,915)	(39,506,672)
Purchases of non-derivative financial assets	(107,340,352)	(18,924,865)
Proceeds from sale of non-derivative financial assets	61,552,618	7,500,074
Accrued investment income	(677)	(791)
Accrued expenses	1,588,193	1,085,869
Net cash provided by (used in) operating activities	(44,408,141)	(9,347,999)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	105,173,040	70,111,419
Amounts paid on redemption of redeemable units	(59,105,141)	(58,813,460)
Distributions to unitholders of redeemable units	–	(44)
Net cash provided by (used in) financing activities	46,067,899	11,297,915
Net increase (decrease) in cash	1,659,758	1,949,916
Cash at beginning of period	3,912,191	2,107,555
CASH AT END OF PERIOD	$ 5,571,949	$ 4,057,471
Interest received(1)	6,808,484	5,509,912
Dividends received, net of withholding taxes(1)	1,847,653	1,024,405

(1) Classified as operating items.

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

Scotia Selected Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Moderate Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 24.0%			
4,825,530	CI Signature Corporate Bond Fund Class I	51,060,743	52,115,729
6,117,070	Dynamic Aurion Total Return Bond Series O	61,956,600	62,944,649
8,557,759	Dynamic High Yield Bond Fund Series O	33,593,358	31,235,820
4,575,231	Scotia Canadian Income Fund Series I	60,662,037	62,690,270
		207,272,738	208,986,468
CANADIAN EQUITY FUNDS – 38.6%			
2,808,828	CI Cambridge Canadian Equity Corporate Class I	36,677,206	53,030,672
5,219,934	Dynamic Small Business Fund Series O	70,063,863	85,345,927
3,831,817	Dynamic Value Fund of Canada Series O	39,239,868	47,859,398
2,018,353	Scotia Canadian Dividend Fund Series I	74,985,279	101,586,114
607,184	Scotia Canadian Growth Fund Series I	38,402,476	47,972,746
		259,368,692	335,794,857
FOREIGN EQUITY FUNDS – 36.9%			
3,202,237	Scotia Global Dividend Fund Series I	43,045,834	48,750,213
2,855,034	Scotia Global Growth Fund Series I	101,028,136	138,321,547
3,122,039	Scotia Global Opportunities Fund Series I	26,535,661	34,958,098
2,469,469	Scotia Global Small Cap Fund Series I	18,213,155	21,818,748
3,726,900	Scotia International Value Fund Series I	27,104,133	29,887,125
3,571,882	Scotia U.S. Dividend Fund Series I	41,609,932	47,636,762
		257,536,851	321,372,493
	TOTAL INVESTMENT PORTFOLIO	724,178,281	866,153,818
	OTHER ASSETS, LESS LIABILITIES – 0.5%		4,332,875
	NET ASSETS – 100.0%		870,486,693

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

Scotia Selected Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Moderate Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and other mutual fund managers. The portfolio is an asset allocation fund that allocates investments between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.4%, January 1, 2013 – 99.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $86,615,382 (December 31, 2013 – $77,207,598, January 1, 2013 – $60,225,906). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,121,305	$ –	$140,940	$ –	$379,147
Redeemable units	870,486,693	–	776,745,237	–	604,371,287	–
	$870,486,693	$2,121,305	$776,745,237	$140,940	$604,371,287	$379,147

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Fixed Income Funds	24.0	23.5	24.5
Canadian Equity Funds	38.6	37.6	37.7
Foreign Equity Funds	36.9	38.3	37.4

Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$866,153,818	$ –	$ –	$866,153,818

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$772,075,975	$ –	$ –	$772,075,975

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$602,259,063	$ –	$ –	$602,259,063

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Selected Maximum Growth Portfolio (Unaudited)
(formerly, Scotia Selected Aggressive Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$198,056,549	$170,030,872	$126,306,911
Cash	2,084,845	1,761,806	775,411
Accrued investment income	1,750	1,488	575
Subscriptions receivable	273,745	253,305	145,415
	200,416,889	172,047,471	127,228,312
LIABILITIES			
Current liabilities			
Redemptions payable	225,804	113,839	74,737
Accrued expenses	403,437	–	–
	629,241	113,839	74,737
Net Assets attributable to holders of redeemable units	$199,787,648	$171,933,632	$127,153,575
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$199,375,598	$171,930,470	$127,143,975
Advisor Series Units	$ 411,499	$ 3,162	$ 9,600
Series F Units	$ 551	$ –	$ –
UNITS OUTSTANDING			
Series A Units	11,591,561	10,573,774	9,601,140
Advisor Series Units	23,983	195	732
Series F Units	32	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 17.20	$ 16.26	$ 13.24
Advisor Series Units	$ 17.16	$ 16.24	$ 13.12
Series F Units	$ 17.28	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 356,408	$ 175,517
Interest for distribution purposes	895,655	720,962
Capital gains distributions received	–	215,994
Net realized gain (loss) on non-derivative financial assets	1,808,940	(105,594)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	9,555,174	11,173,020
Net gain (loss) on investments	12,616,177	12,179,899
Other income	3,828	4,411
Total income (loss)	12,620,005	12,184,310
EXPENSES		
Management fees (note 5)	1,964,662	1,428,450
Harmonized Sales Tax/Goods and Services Tax	206,122	155,684
Audit fees	1,981	1,646
Independent Review Committee fees	278	239
Custodian fees	176	361
Filing fees	17,840	14,518
Legal fees	596	583
Unitholder reporting costs	6,476	5,610
Unitholder administration and service fees	34,942	28,814
Total expenses	2,233,073	1,635,905
Absorbed expenses	(9,604)	(6,882)
Net expenses	2,223,469	1,629,023
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$10,396,536	$10,555,287
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$10,389,152	$10,554,640
Advisor Series Units	$ 7,373	$ 647
Series F Units**	$ 11	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.93	$ 1.05
Advisor Series Units	$ 0.58	$ 2.09
Series F Units**	$ 0.62	$ –
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	11,206,623	10,068,313
Advisor Series Units	12,734	309
Series F Units**	18	–

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.
** Start February 18, 2014.

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

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Aggressive Growth Portfolio)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$171,930,470	$127,143,975
Advisor Series Units	3,162	9,600
Series F Units*	–	–
	171,933,632	127,153,575
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	10,389,152	10,554,640
Advisor Series Units	7,373	647
Series F Units*	11	–
	10,396,536	10,555,287
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	32,514,548	20,111,164
Advisor Series Units	403,414	683
Series F Units*	540	–
Reinvested distributions		
Series A Units	–	–
Payments on redemption		
Series A Units	(15,458,572)	(14,676,502)
Advisor Series Units	(2,450)	(8,310)
	17,457,480	5,427,035
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	27,445,128	15,989,302
Advisor Series Units	408,337	(6,980)
Series F Units*	551	–
	27,854,016	15,982,322
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	199,375,598	143,133,277
Advisor Series Units	411,499	2,620
Series F Units*	551	–
	$199,787,648	$143,135,897

* Start date February 18, 2014.

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 10,396,536	$ 10,555,287
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(1,808,940)	105,594
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(9,555,174)	(11,173,020)
Purchases of non-derivative financial assets	(22,934,821)	(5,405,167)
Proceeds from sale of non-derivative financial assets	6,273,258	700,016
Accrued investment income	(262)	(427)
Accrued expenses	403,437	262,423
Net cash provided by (used in) operating activities	(17,225,966)	(4,955,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,898,053	20,111,071
Amounts paid on redemption of redeemable units	(15,349,057)	(14,615,874)
Distributions to unitholders of redeemable units	9	–
Net cash provided by (used in) financing activities	17,549,005	5,495,197
Net increase (decrease) in cash	323,039	539,903
Cash at beginning of period	1,761,806	775,411
CASH AT END OF PERIOD	$ 2,084,845	$ 1,315,314
Interest received(1)	895,393	720,535
Dividends received, net of withholding taxes(1)	356,408	175,517

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 9.8%			
542,082	CI Signature Corporate Bond Fund Class I	5,744,749	5,854,481
570,048	Dynamic Aurion Total Return Bond Series O	5,781,815	5,865,793
1,063,021	Dynamic High Yield Bond Fund Series O	4,128,795	3,880,028
284,867	Scotia Canadian Income Fund Series I	3,756,585	3,903,278
		19,411,944	19,503,580
CANADIAN EQUITY FUNDS – 44.9%			
715,985	CI Cambridge Canadian Equity Corporate Class I	9,668,761	13,517,799
1,389,316	Dynamic Small Business Fund Series O	18,739,999	22,715,311
1,429,316	Dynamic Value Fund of Canada Series O	14,577,110	17,852,155
356,824	Scotia Canadian Dividend Fund Series I	13,584,823	17,959,357
224,320	Scotia Canadian Growth Fund Series I	14,249,412	17,723,215
		70,820,105	89,767,837
FOREIGN EQUITY FUNDS – 44.4%			
579,251	Scotia Global Dividend Fund Series I	7,814,842	8,818,400
607,139	Scotia Global Growth Fund Series I	20,385,460	29,414,867
1,678,662	Scotia Global Opportunities Fund Series I	14,750,346	18,796,316
1,813,739	Scotia Global Small Cap Fund Series I	13,320,519	16,025,112
856,378	Scotia International Value Fund Series I	6,059,342	6,867,549
664,554	Scotia U.S. Dividend Fund Series I	7,340,377	8,862,888
		69,670,886	88,785,132
	TOTAL INVESTMENT PORTFOLIO	159,902,935	198,056,549
	OTHER ASSETS, LESS LIABILITIES – 0.9%		1,731,099
	NET ASSETS – 100.0%		199,787,648

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

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Selected Aggressive Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by us and other mutual fund managers. The portfolio is an asset allocation fund that allocates investments between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.1% (December 31, 2013 – 98.9%, January 1, 2013 – 99.3%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $19,805,655 (December 31, 2013 – $17,003,087, January 1, 2013 – $12,630,691). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$629,241	$ –	$113,839	$ –	$74,737
Redeemable units	199,787,648	–	171,933,632	–	127,153,575	–
	$199,787,648	$629,241	$171,933,632	$113,839	$127,153,575	$74,737

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	9.8	9.5	9.5
Canadian Equity Funds	44.9	43.5	44.4
Foreign Equity Funds	44.4	45.9	45.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$198,056,549	$ –	$ –	$198,056,549

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$170,030,872	$ –	$ –	$170,030,872

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$126,306,911	$ –	$ –	$126,306,911

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Partners Income Portfolio (Unaudited)
(formerly, Scotia Partners Diversified Income Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$607,187,486	$537,718,238	$333,145,944
Cash	4,321,253	2,194,328	6,648,243
Accrued investment income	2,953	1,154	4,058
Subscriptions receivable	689,232	736,197	1,170,931
	612,200,924	540,649,917	340,969,176
LIABILITIES			
Current liabilities			
Payable for securities purchased	400,000	–	–
Distributions payable	25,134	75,907	79,100
Redemptions payable	376,936	363,040	102,065
Accrued expenses	1,049,350	–	–
	1,851,420	438,947	181,165
Net Assets attributable to holders of redeemable units	$610,349,504	$540,210,970	$340,788,011
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$610,349,504	$540,210,970	$340,788,011
UNITS OUTSTANDING			
Series A Units	54,700,662	50,627,257	32,822,473
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 11.16	$ 10.67	$ 10.38

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments (note 2)		
Dividends	$ –	$ 637,746
Interest for distribution purposes	12,976,144	8,379,760
Capital gains distributions received	–	(9,924)
Net realized gain (loss) on non-derivative financial assets	109,782	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	24,598,868	(3,519,415)
Net gain (loss) on investments	37,684,794	5,488,167
Other income	11,218	10,664
Total income (loss)	37,696,012	5,498,831
EXPENSES		
Management fees (note 5)	5,149,534	4,037,269
Harmonized Sales Tax/Goods and Services Tax	557,051	446,903
Audit fees	6,186	5,323
Independent Review Committee fees	851	782
Custodian fees	1,603	1,365
Filing fees	21,026	15,141
Legal fees	1,821	1,928
Unitholder reporting costs	13,394	9,206
Unitholder administration and service fees	86,618	60,113
Overdraft charges	62	–
Total expenses	5,838,146	4,578,030
Net expenses	5,838,146	4,578,030
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$31,857,866	$ 920,801
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$31,857,866	$ 920,801
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.60	$ 0.02
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	52,694,954	43,390,907

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$540,210,970	$340,788,011
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	31,857,866	920,801
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	(6,329,214)	(4,950,140)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	106,213,068	222,656,218
Reinvested distributions		
Series A Units	6,239,178	4,872,405
Payments on redemption		
Series A Units	(67,842,364)	(39,322,295)
	44,609,882	188,206,328
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	70,138,534	184,176,989
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$610,349,504	$524,965,000

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 31,857,866	$ 920,801
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(109,782)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(24,598,868)	3,519,415
Purchases of non-derivative financial assets	(45,060,598)	(192,960,036)
Proceeds from sale of non-derivative financial assets	700,000	–
Accrued investment income	(1,799)	(264,254)
Accrued expenses	1,049,350	818,417
Net cash provided by (used in) operating activities	(36,163,831)	(187,965,657)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	106,260,033	223,123,586
Amounts paid on redemption of redeemable units	(67,828,468)	(38,862,900)
Distributions to unitholders of redeemable units	(140,809)	(146,916)
Net cash provided by (used in) financing activities	38,290,756	184,113,770
Net increase (decrease) in cash	2,126,925	(3,851,887)
Cash at beginning of period	2,194,328	6,648,243
CASH AT END OF PERIOD	$ 4,321,253	$ 2,796,356
Interest received(1)	12,974,345	8,381,259
Dividends received, net of withholding taxes(1)	–	637,746

(1) Classified as operating items.

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

Scotia Partners Income Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Diversified Income Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 68.8%			
11,661,291	CI Signature Corporate Bond Fund Class I	122,770,895	125,941,945
5,698,020	PIMCO Monthly Income Fund (Canada) Class I	79,008,456	84,174,566
9,177,490	Scotia Canadian Income Fund Series I	127,583,788	125,750,881
7,789,099	Scotia Private Canadian Corporate Bond Pool Series I	83,217,596	83,939,220
		412,580,735	419,806,612
CANADIAN EQUITY FUNDS – 23.6%			
2,014,386	CI Canadian Dividend Fund Series I	31,798,849	38,575,495
8,572,206	Dynamic Equity Income Fund Series O	51,694,362	60,948,386
2,244,994	Dynamic Global Real Estate Fund Series O	17,298,115	18,745,699
1,577,281	Dynamic Small Business Fund Series O	21,785,744	25,788,540
		122,577,070	144,058,120
FOREIGN EQUITY FUNDS – 7.1%			
1,233,440	Dynamic Global Infrastructure Fund Series O	14,547,093	18,785,285
2,043,172	Mackenzie Ivy Equity Fund Series O	19,772,355	24,537,469
		34,319,448	43,322,754
	TOTAL INVESTMENT PORTFOLIO	569,477,253	607,187,486
	OTHER ASSETS, LESS LIABILITIES – 0.5%		3,162,018
	NET ASSETS – 100.0%		610,349,504

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.5%, January 1, 2013 – 97.8%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $60,718,749 (December 31, 2013 – $53,771,824, January 1, 2013 – $33,314,594). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,851,420	$ –	$438,947	$ –	$181,165
Redeemable units	610,349,504	–	540,210,970	–	340,788,011	–
	$610,349,504	$1,851,420	$540,210,970	$438,947	$340,788,011	$181,165

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	68.8	69.1	68.5
Canadian Equity Funds	23.6	23.3	22.5
Foreign Equity Funds	7.1	7.1	6.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$607,187,486	$ –	$ –	$607,187,486

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$537,718,238	$ –	$ –	$537,718,238

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$333,145,944	$ –	$ –	$333,145,944

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Partners Balanced Income Portfolio (Unaudited)
(formerly, Scotia Partners Income & Modest Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$870,366,851	$694,131,613	$497,222,703
Cash	6,715,903	4,783,510	3,601,621
Accrued investment income	4,649	800	2,319
Subscriptions receivable	1,433,521	1,223,427	780,943
	878,520,924	700,139,350	501,607,586
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,500,000	–	–
Distributions payable	–	30,724	48,939
Redemptions payable	509,997	281,029	181,142
Accrued expenses	1,543,342	–	–
	3,553,339	311,753	230,081
Net Assets attributable to holders of redeemable units	$874,967,585	$699,827,597	$501,377,505
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$874,949,599	$699,810,578	$501,342,279
Series F Units	$ 17,986	$ 17,019	$ 35,226
UNITS OUTSTANDING			
Series A Units	64,860,637	54,609,704	41,184,509
Series F Units	1,332	1,332	2,819
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.49	$ 12.81	$ 12.17
Series F Units	$ 13.50	$ 12.77	$ 12.50

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,401,393	$ 1,075,374
Interest for distribution purposes	12,091,287	8,142,441
Capital gains distributions received	–	685,396
Net realized gain (loss) on non-derivative financial assets	429,102	(88,840)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	34,924,554	4,402,378
Net gain (loss) on investments	48,846,336	14,216,749
Other income	8,760	10,327
Total income (loss)	48,855,096	14,227,076
EXPENSES		
Management fees (note 5)	7,346,944	5,066,754
Harmonized Sales Tax/Goods and Services Tax	817,198	579,653
Audit fees	8,509	6,521
Independent Review Committee fees	1,179	959
Custodian fees	797	248
Filing fees	23,038	15,669
Legal fees	2,533	2,343
Unitholder reporting costs	15,807	12,597
Unitholder administration and service fees	114,766	89,819
Overdraft charges	–	103
Foreign withholding taxes/tax reclaims	–	5,330
Total expenses	8,330,771	5,779,996
Absorbed expenses	(4,246)	(1,857)
Net expenses	8,326,525	5,778,139
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$40,528,571	$ 8,448,937
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$40,527,604	$ 8,449,510
Series F Units	$ 967	$ (573)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.67	$ 0.19
Series F Units	$ 0.73	$ (0.31)
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	60,756,717	44,757,045
Series F Units	1,332	1,866

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$699,810,578	$501,342,279
Series F Units	17,019	35,226
	699,827,597	501,377,505
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	40,527,604	8,449,510
Series F Units	967	(573)
	40,528,571	8,448,937
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	195,174,071	127,910,926
Reinvested distributions		
Series A Units	327	–
Payments on redemption		
Series A Units	(60,562,981)	(42,498,703)
Series F Units	–	(15,300)
	134,611,417	85,396,923
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	175,139,021	93,861,733
Series F Units	967	(15,873)
	175,139,988	93,845,860
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	874,949,599	595,204,012
Series F Units	17,986	19,353
	$874,967,585	$595,223,365

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 40,528,571	$ 8,448,937
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(429,102)	88,840
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(34,924,554)	(4,402,378)
Purchases of non-derivative financial assets	(141,291,582)	(93,472,939)
Proceeds from sale of non-derivative financial assets	1,910,000	4,200,039
Accrued investment income	(3,849)	(140,101)
Accrued expenses	1,543,342	957,826
Net cash provided by (used in) operating activities	(132,667,174)	(84,319,776)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	194,963,977	127,603,168
Amounts paid on redemption of redeemable units	(60,334,013)	(42,379,848)
Distributions to unitholders of redeemable units	(30,397)	(50,250)
Net cash provided by (used in) financing activities	134,599,567	85,173,070
Net increase (decrease) in cash	1,932,393	853,294
Cash at beginning of period	4,783,510	3,601,621
CASH AT END OF PERIOD	$ 6,715,903	$ 4,454,915
Interest received(1)	12,087,438	8,142,069
Dividends received, net of withholding taxes(1)	1,401,393	1,070,044

(1) Classified as operating items.

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

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Income & Modest Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 63.6%			
7,721,756	CI Signature Corporate Bond Fund Class I	81,962,145	83,394,961
20,080,960	Dynamic Canadian Bond Fund Series O	112,834,372	111,248,521
3,771,954	PIMCO Monthly Income Fund (Canada) Class I	52,290,827	55,721,574
16,219,074	Scotia Canadian Income Fund Series I	220,557,413	222,235,376
7,781,943	Scotia Private Canadian Corporate Bond Pool Series I	80,302,222	83,862,113
		547,946,979	556,462,545
CANADIAN EQUITY FUNDS – 20.8%			
956,057	CI Cambridge Canadian Equity Corporate Class I	13,143,739	18,050,363
1,897,845	CI Canadian Dividend Fund Series I	30,224,446	36,343,728
2,241,853	Dynamic Small Business Fund Series O	31,027,161	36,654,295
1,801,583	Scotia Canadian Dividend Fund Series I	72,080,808	90,675,850
		146,476,154	181,724,236
FOREIGN EQUITY FUNDS – 15.1%			
1,228,264	AGF Global Dividend Fund Series I	22,368,785	26,260,293
1,550,554	Invesco International Growth Fund Series I	9,906,043	13,221,570
1,644,413	Mackenzie Ivy Equity Fund Series O	16,350,675	19,748,582
507,954	Mackenzie US Mid Cap Growth Class Series O	9,135,614	15,694,299
429,317	Mackenzie Emerging Markets Class Series O	11,657,236	13,279,165
436,958	Mawer International Equity Fund Class O	15,482,990	19,792,324
799,172	Mawer U.S. Equity Fund Class O	17,365,085	24,183,837
		102,266,428	132,180,070
	TOTAL INVESTMENT PORTFOLIO	796,689,561	870,366,851
	OTHER ASSETS, LESS LIABILITIES – 0.5%		4,600,734
	NET ASSETS – 100.0%		874,967,585

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

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Income & Modest Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.2%, January 1, 2013 – 99.2%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $87,036,685 (December 31, 2013 – $69,413,161, January 1, 2013 – $49,722,270). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,553,339	$ –	$311,753	$ –	$230,081
Redeemable units	874,967,585	–	699,827,597	–	501,377,505	–
	$874,967,585	$3,553,339	$699,827,597	$311,753	$501,377,505	$230,081

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	63.6	62.7	63.7
Canadian Equity Funds	20.8	20.9	20.2
Foreign Equity Funds	15.1	15.6	15.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$870,366,851	$ –	$ –	$870,366,851

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$694,131,613	$ –	$ –	$694,131,613

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$497,222,703	$ –	$ –	$497,222,703

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Partners Balanced Growth Portfolio (Unaudited)
(formerly, Scotia Partners Balanced Income & Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,275,175,858	$1,961,000,244	$1,536,126,823
Cash	15,766,251	12,512,796	5,020,241
Accrued investment income	1,081,854	9,121	3,376
Subscriptions receivable	2,441,210	2,638,686	1,271,907
	2,294,465,173	1,976,160,847	1,542,422,347
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,770,553	–	–
Distributions payable	–	26,463	36,620
Redemptions payable	1,741,503	838,262	641,014
Accrued expenses	4,364,478	–	–
	7,876,534	864,725	677,634
Net Assets attributable to holders of redeemable units	$2,286,588,639	$1,975,296,122	$1,541,744,713
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$2,286,448,008	$1,975,156,149	$1,541,624,350
Series F Units	$ 140,631	$ 139,973	$ 120,363
UNITS OUTSTANDING			
Series A Units	144,382,491	132,164,861	115,420,216
Series F Units	8,333	8,821	8,503
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 15.84	$ 14.94	$ 13.36
Series F Units	$ 16.88	$ 15.87	$ 14.16

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 5,064,815	$ 5,097,863
Interest for distribution purposes	21,747,668	13,875,918
Capital gains distributions received	–	3,059,693
Net realized gain (loss) on non-derivative financial assets	352,791	(18,241)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	121,377,183	65,460,962
Net gain (loss) on investments	148,542,457	87,476,195
Other income	13,572	16,217
Total income (loss)	148,556,029	87,492,412
EXPENSES		
Management fees (note 5)	21,370,197	16,314,596
Harmonized Sales Tax/Goods and Services Tax	2,348,544	1,847,127
Audit fees	22,864	19,357
Independent Review Committee fees	3,176	2,860
Custodian fees	752	523
Filing fees	44,271	35,895
Legal fees	6,803	6,949
Unitholder reporting costs	36,658	31,700
Unitholder administration and service fees	297,243	254,767
Overdraft charges	–	18
Foreign withholding taxes/tax reclaims	–	32,497
Total expenses	24,130,508	18,546,289
Absorbed expenses	(4,078)	(1,701)
Net expenses	24,126,430	18,544,588
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$124,429,599	$68,947,824
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$124,421,060	$68,941,951
Series F Units	$ 8,539	$ 5,873
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.89	$ 0.58
Series F Units	$ 1.01	$ 0.67
WEIGHTED AVERAGE NUMBER OF UNITS		

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$1,975,156,149	$1,541,624,350
Series F Units	139,973	120,363
	1,975,296,122	1,541,744,713
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	124,421,060	68,941,951
Series F Units	8,539	5,873
	124,429,599	68,947,824
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	324,789,407	220,154,211
Series F Units	5,400	25,459
Reinvested distributions		
Series A Units	324	–
Payments on redemption		
Series A Units	(137,918,932)	(112,895,031)
Series F Units	(13,281)	(28)
	186,862,918	107,284,611
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	311,291,859	176,201,131
Series F Units	658	31,304
	311,292,517	176,232,435
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	2,286,448,008	1,717,825,481
Series F Units	140,631	151,667
	$2,286,588,639	$1,717,977,148

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 124,429,599	$ 68,947,824
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(352,791)	18,241
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(121,377,183)	(65,460,962)
Purchases of non-derivative financial assets	(193,115,086)	(119,867,168)
Proceeds from sale of non-derivative financial assets	2,440,000	11,499,961
Accrued investment income	(1,072,733)	(3,491)
Accrued expenses	4,364,478	2,977,352
Net cash provided by (used in) operating activities	(184,683,716)	(101,888,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	324,992,283	219,821,549
Amounts paid on redemption of redeemable units	(137,028,973)	(112,658,911)
Distributions to unitholders of redeemable units	(26,139)	(36,620)
Net cash provided by (used in) financing activities	187,937,171	107,126,018
Net increase (decrease) in cash	3,253,455	5,237,775
Cash at beginning of period	12,512,796	5,020,241
CASH AT END OF PERIOD	$ 15,766,251	$ 10,258,016
Interest received(1)	21,745,489	13,872,427
Dividends received, net of withholding taxes(1)	5,064,815	5,065,366

(1) Classified as operating items.

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

Scotia Partners Balanced Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Balanced Income & Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 38.2%			
12,111,632	CI Signature Corporate Bond Fund Class I	121,591,073	130,805,628
23,659,482	Dynamic Canadian Bond Fund Series O	133,230,145	131,073,528
12,161,518	PIMCO Global Advantage Strategy Bond Fund (Canada) Class I	126,679,872	130,795,906
22,350,053	Scotia Canadian Income Fund Series I	303,062,559	306,242,657
16,249,643	Scotia Private Canadian Corporate Bond Pool Series I	167,429,597	175,114,280
		851,993,246	874,031,999
CANADIAN EQUITY FUNDS – 31.2%			
7,475,588	CI Cambridge Canadian Equity Corporate Class I	78,398,322	141,139,111
7,623,382	CI Canadian Dividend Fund Series I	120,937,893	145,987,773
8,756,830	Dynamic Small Business Fund Series O	118,172,289	143,174,171
5,612,138	Scotia Canadian Dividend Fund Series I	224,783,640	282,465,635
		542,292,144	712,766,690
FOREIGN EQUITY FUNDS – 30.1%			
5,594,163	AGF Global Dividend Fund Series I	100,503,438	119,603,209
8,100,148	Invesco International Growth Fund Series I	49,818,624	69,069,957
9,931,767	Mackenzie Ivy Equity Fund Series O	96,352,840	119,275,550
2,622,381	Mackenzie US Mid Cap Growth Class Series O	43,322,982	81,023,983
2,292,121	Mackenzie Emerging Markets Class Series O	61,511,365	70,897,366
2,289,781	Mawer International Equity Fund Class O	78,282,890	103,717,243
4,123,771	Mawer U.S. Equity Fund Class O	85,584,303	124,789,861
		515,376,442	688,377,169
	TOTAL INVESTMENT PORTFOLIO	1,909,661,832	2,275,175,858
	OTHER ASSETS, LESS LIABILITIES – 0.5%		11,412,781
	NET ASSETS – 100.0%		2,286,588,639

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.3%, January 1, 2013 – 99.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $227,517,586 (December 31, 2013 – $196,100,024, January 1, 2013 – $153,612,682). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$7,876,534	$ –	$864,725	$ –	$677,634
Redeemable units	2,286,588,639	–	1,975,296,122	–	1,541,744,713	–
	$2,286,588,639	$7,876,534	$1,975,296,122	$864,725	$1,541,744,713	$677,634

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	38.2	37.9	39.0
Canadian Equity Funds	31.2	30.4	29.9
Foreign Equity Funds	30.1	31.0	30.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,275,175,858	$ –	$ –	$2,275,175,858

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,961,000,244	$ –	$ –	$1,961,000,244

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,536,126,823	$ –	$ –	$1,536,126,823

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Partners Growth Portfolio (Unaudited)
(formerly, Scotia Partners Moderate Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,785,851,585	$2,393,688,163	$1,726,283,612
Cash	18,559,139	14,841,771	5,462,148
Accrued investment income	842,106	11,030	14,632
Subscriptions receivable	3,057,092	2,767,434	1,294,870
	2,808,309,922	2,411,308,398	1,733,055,262
LIABILITIES			
Current liabilities			
Payable for securities purchased	928,227	–	–
Distributions payable	–	–	19,720
Redemptions payable	1,197,169	782,515	615,968
Accrued expenses	5,725,141	–	–
	7,850,537	782,515	635,688
Net Assets attributable to holders of redeemable units	$2,800,459,385	$2,410,525,883	$1,732,419,574
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$2,798,440,347	$2,408,724,836	$1,731,114,895
Series F Units	$ 2,019,038	$ 1,801,047	$ 1,304,679
UNITS OUTSTANDING			
Series A Units	145,169,920	132,421,566	113,151,791
Series F Units	95,679	90,767	78,911
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 19.28	$ 18.19	$ 15.30
Series F Units	$ 21.10	$ 19.84	$ 16.53

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 6,139,071	$ 4,700,208
Interest for distribution purposes	13,379,352	5,532,729
Capital gains distributions received	130,865	1,965,868
Net realized gain (loss) on non-derivative financial assets	312,591	922,495
Change in unrealized appreciation (depreciation) of non-derivative financial assets	162,984,947	140,452,815
Net gain (loss) on investments	182,946,826	153,574,115
Other income	22,082	13,581
Total income (loss)	182,968,908	153,587,696
EXPENSES		
Management fees (note 5)	28,194,706	20,042,085
Harmonized Sales Tax/Goods and Services Tax	2,955,553	2,184,216
Audit fees	28,083	22,114
Independent Review Committee fees	3,900	3,268
Custodian fees	613	568
Filing fees	55,685	43,076
Legal fees	8,353	7,948
Unitholder reporting costs	39,417	33,117
Unitholder administration and service fees	335,338	268,226
Foreign withholding taxes/tax reclaims	–	52,274
Total expenses	31,621,648	22,656,892
Absorbed expenses	(968)	–
Net expenses	31,620,680	22,656,892
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$151,348,228	$130,930,804
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$151,231,301	$130,826,958
Series F Units	$ 116,927	$ 103,846
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.08	$ 1.11
Series F Units	$ 1.26	$ 1.28
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	140,419,537	117,679,156
Series F Units	92,617	81,310

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$2,408,724,836	$1,731,114,895
Series F Units	1,801,047	1,304,679
	2,410,525,883	1,732,419,574
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	151,231,301	130,826,958
Series F Units	116,927	103,846
	151,348,228	130,930,804
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	395,552,496	262,069,118
Series F Units	170,929	176,223
Payments on redemption		
Series A Units	(157,068,286)	(119,731,675)
Series F Units	(69,865)	(113,793)
	238,585,274	142,399,873
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	389,715,511	273,164,401
Series F Units	217,991	166,276
	389,933,502	273,330,677
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	2,798,440,347	2,004,279,296
Series F Units	2,019,038	1,470,955
	$2,800,459,385	$2,005,750,251

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 151,348,228	$ 130,930,804
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(312,591)	(922,495)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(162,984,947)	(140,452,815)
Purchases of non-derivative financial assets	(229,937,657)	(136,398,199)
Proceeds from sale of non-derivative financial assets	2,000,000	7,250,004
Accrued investment income	(831,076)	6,636
Accrued expenses	5,725,141	3,700,334
Net cash provided by (used in) operating activities	(234,992,902)	(135,885,731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	395,433,757	261,574,316
Amounts paid on redemption of redeemable units	(156,723,497)	(119,465,737)
Distributions to unitholders of redeemable units	10	(19,720)
Net cash provided by (used in) financing activities	238,710,270	142,088,859
Net increase (decrease) in cash	3,717,368	6,203,128
Cash at beginning of period	14,841,771	5,462,148
CASH AT END OF PERIOD	$ 18,559,139	$ 11,665,276
Interest received(1)	13,376,504	5,539,365
Dividends received, net of withholding taxes(1)	6,139,071	4,647,934

(1) Classified as operating items.

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

Scotia Partners Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Moderate Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 22.1%			
4,359,853	CI Signature Corporate Bond Fund Class I	44,240,883	47,086,415
9,408,683	PIMCO Global Advantage Strategy Bond Fund (Canada) Class I	98,035,973	101,189,441
19,672,877	Scotia Canadian Income Fund Series I	266,265,594	269,559,725
18,740,620	Scotia Private Canadian Corporate Bond Pool Series I	197,490,604	201,958,294
		606,033,054	619,793,875
CANADIAN EQUITY FUNDS – 40.0%			
11,459,196	CI Cambridge Canadian Equity Corporate Class I	122,881,985	216,349,618
5,086,288	CI Signature High Yield Bond II Fund Series I	51,226,813	53,812,931
25,087,272	Dynamic Value Fund of Canada Series O	242,935,192	313,340,032
6,285,343	Scotia Canadian Dividend Fund Series I	256,712,459	316,348,861
12,305,569	Trimark Canadian Small Companies Fund Series I	159,613,977	219,186,794
		833,370,426	1,119,038,236
FOREIGN EQUITY FUNDS – 37.4%			
1,802,488	CI Global Small Companies Fund Class I	35,819,943	55,120,075
14,870,741	Dynamic Global Dividend Value Fund Series O	169,664,322	223,507,243
12,098,374	Invesco International Growth Fund Series I	73,714,057	103,162,833
25,727,979	Mackenzie Global Concentrated Equity Fund Series O	116,238,928	162,587,962
4,295,586	Mackenzie US Mid Cap Growth Class Series O	80,130,151	132,721,157
5,340,719	Mackenzie Emerging Markets Class Series O	143,930,105	165,193,258
1,517,765	Mawer International Equity Fund Class O	52,568,395	68,748,242
2,697,201	Mawer U.S. Equity Fund Class O	56,212,797	81,620,256
2,221,977	Trimark Global Endeavour Fund Series I	38,771,877	54,358,448
		767,050,575	1,047,019,474
	TOTAL INVESTMENT PORTFOLIO	2,206,454,055	2,785,851,585
	OTHER ASSETS, LESS LIABILITIES – 0.5%		14,607,800
	NET ASSETS – 100.0%		2,800,459,385

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.3%, January 1, 2013 – 99.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $278,585,159 (December 31, 2013 – $239,368,816, January 1, 2013 – $172,628,361). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$7,850,537	$ –	$782,515	$ –	$635,688
Redeemable units	2,800,459,385	–	$2,410,525,883	–	$1,732,419,574	–
	$2,800,459,385	$7,850,537	$2,410,525,883	$782,515	$1,732,419,574	$635,688

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	22.1	21.6	22.3
Canadian Equity Funds	40.0	39.1	38.8
Foreign Equity Funds	37.4	38.6	38.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,785,851,585	$ –	$ –	$2,785,851,585

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,393,688,163	$ –	$ –	$2,393,688,163

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,726,283,612	$ –	$ –	$1,726,283,612

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Partners Maximum Growth Portfolio (Unaudited)
(formerly, Scotia Partners Aggressive Growth Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$666,437,124	$557,870,687	$395,801,648
Cash	4,907,840	3,679,968	1,645,118
Accrued investment income	163,693	2,678	1,381
Subscriptions receivable	859,638	840,764	204,864
	672,368,295	562,394,097	397,653,011
LIABILITIES			
Current liabilities			
Payable for securities purchased	560,212	–	–
Redemptions payable	366,993	270,882	233,549
Accrued expenses	1,490,658	–	–
	2,417,863	270,882	233,549
Net Assets attributable to holders of redeemable units	$669,950,432	$562,123,215	$397,419,462
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$669,510,110	$561,684,989	$397,075,177
Series F Units	$ 440,322	$ 438,226	$ 344,285
UNITS OUTSTANDING			
Series A Units	33,000,087	29,447,082	25,704,982
Series F Units	19,782	21,008	20,520
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 20.29	$ 19.07	$ 15.45
Series F Units	$ 22.26	$ 20.86	$ 16.78

STATEMENTS OF COMPREHENSIVE INCOME
For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments (note 2)		
Dividends	$ 1,448,682	$ 1,300,692
Interest for distribution purposes	1,348,816	(620,930)
Capital gains distributions received	38,533	728,780
Net realized gain (loss) on non-derivative financial assets	18	223,899
Change in unrealized appreciation (depreciation) of non-derivative financial assets	43,295,228	43,204,844
Net gain (loss) on investments	46,131,277	44,837,285
Other income	6,159	2,975
Total income (loss)	46,137,436	44,840,260
EXPENSES		
Management fees (note 5)	7,290,203	5,038,555
Harmonized Sales Tax/Goods and Services Tax	737,692	538,220
Audit fees	6,666	5,121
Independent Review Committee fees	921	751
Custodian fees	359	437
Filing fees	20,618	14,626
Legal fees	1,978	1,835
Unitholder reporting costs	11,262	9,889
Unitholder administration and service fees	83,343	67,423
Foreign withholding taxes/tax reclaims	–	12,476
Total expenses	8,153,042	5,689,333
Absorbed expenses	(3,447)	(1,204)
Net expenses	8,149,595	5,688,129
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$37,987,841	$39,152,131
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$37,958,779	$39,117,531
Series F Units	$ 29,062	$ 34,600
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.20	$ 1.48
Series F Units	$ 1.40	$ 1.68
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	31,602,685	26,497,821
Series F Units	20,771	20,549

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$561,684,989	$397,075,177
Series F Units	438,226	344,285
	562,123,215	397,419,462
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	37,958,779	39,117,531
Series F Units	29,062	34,600
	37,987,841	39,152,131
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	112,709,860	61,393,897
Series F Units	13,615	13,520
Payments on redemption		
Series A Units	(42,843,518)	(36,257,218)
Series F Units	(40,581)	(10,077)
	69,839,376	25,140,122
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	107,825,121	64,254,210
Series F Units	2,096	38,043
	107,827,217	64,292,253
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	669,510,110	461,329,387
Series F Units	440,322	382,328
	$669,950,432	$461,711,715

STATEMENTS OF CASH FLOWS
For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 37,987,841	$ 39,152,131
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(18)	(223,899)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(43,295,228)	(43,204,844)
Purchases of non-derivative financial assets	(64,800,978)	(23,624,830)
Proceeds from sale of non-derivative financial assets	90,000	2,850,025
Transaction costs	–	–
Accrued investment income	(161,015)	(325)
Accrued expenses	1,490,658	927,907
Change in margin accounts for futures contracts	–	–
Net cash provided by (used in) operating activities	(68,688,740)	(24,123,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	112,704,600	61,170,958
Amounts paid on redemption of redeemable units	(42,787,988)	(36,250,120)
Net cash provided by (used in) financing activities	69,916,612	24,920,838
Net increase (decrease) in cash	1,227,872	797,003
Cash at beginning of period	3,679,968	1,645,118
CASH AT END OF PERIOD	$ 4,907,840	$ 2,442,121
Interest received(1)	1,348,013	–
Dividends received, net of withholding taxes(1)	1,448,682	666,961

(1) Classified as operating items.

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

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Aggressive Growth Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 7.3%			
1,820,009	PIMCO Global Advantage Strategy Bond Fund (Canada) Class I	18,953,752	19,574,017
2,147,210	Scotia Canadian Income Fund Series I	29,012,197	29,421,282
		47,965,949	48,995,299
CANADIAN EQUITY FUNDS – 48.2%			
4,059,925	CI Cambridge Canadian Equity Corporate Class I	45,932,152	76,651,387
1,540,590	CI Signature High Yield Bond II Fund Series I	15,554,668	16,299,447
8,552,299	Dynamic Value Fund of Canada Series O	84,114,722	106,818,214
1,218,647	Scotia Canadian Dividend Fund Series I	50,376,274	61,335,983
3,460,360	Trimark Canadian Small Companies Fund Series I	45,666,096	61,635,931
		241,643,912	322,740,962
FOREIGN EQUITY FUNDS – 44.0%			
747,451	CI Global Small Companies Fund Class I	15,693,548	22,857,044
4,831,472	Dynamic Global Dividend Value Fund Series O	53,821,391	72,617,025
3,235,632	Invesco International Growth Fund Series I	19,763,694	27,590,230
4,609,772	Mackenzie Global Concentrated Equity Fund Series O	21,051,949	29,131,454
1,125,112	Mackenzie US Mid Cap Growth Class Series O	22,952,478	34,762,694
1,436,447	Mackenzie Emerging Markets Class Series O	38,729,972	44,430,600
393,477	Mawer International Equity Fund Class O	13,656,638	17,822,816
748,436	Mawer U.S. Equity Fund Class O	15,678,433	22,648,487
933,638	Trimark Global Endeavour Fund Series I	16,474,495	22,840,513
		217,822,598	294,700,863
	TOTAL INVESTMENT PORTFOLIO	507,432,459	666,437,124
	OTHER ASSETS, LESS LIABILITIES – 0.5%		3,513,308
	NET ASSETS – 100.0%		669,950,432

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

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)
(formerly, Scotia Partners Aggressive Growth Portfolio)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.5% (December 31, 2013 – 99.2%, January 1, 2013 – 99.7%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $66,643,712 (December 31, 2013 – $55,787,069, January 1, 2013 – $39,580,165). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,417,863	$ –	$270,882	$ –	$233,549
Redeemable units	669,950,432	–	562,123,215	–	397,419,462	–
	$669,950,432	$2,417,863	$562,123,215	$270,882	$397,419,462	$233,549

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**December 31, 2013**
Fixed Income Funds	7.3	7.0	7.3
Canadian Equity Funds	48.2	46.9	46.9
Foreign Equity Funds	44.0	45.3	45.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$666,437,124	$ –	$ –	$666,437,124

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$557,870,687	$ –	$ –	$557,870,687

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$395,801,648	$ –	$ –	$395,801,648

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,828,717,764	$1,735,954,219	$1,590,116,899
Unrealized gain on currency forward contracts	–	294,388	–
Cash	10,700,981	19,832,091	26,992,292
Accrued investment income	6,701	863,764	710,664
Margin deposited on futures	–	1,043,934	799,113
Subscriptions receivable	3,156,979	1,597,918	3,252,543
	1,842,582,425	1,759,586,314	1,621,871,511
LIABILITIES			
Current liabilities			
Distributions payable	389,941	655,401	890,210
Redemptions payable	2,408,742	1,305,655	582,859
Accrued expenses	2,797,727	–	–
	5,596,410	1,961,056	1,473,069
Net Assets attributable to holders of redeemable units	$1,836,986,015	$1,757,625,258	$1,620,398,442
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$1,561,219,532	$1,503,721,240	$1,358,934,346
Series T Units	$ 275,766,483	$ 253,904,018	$ 261,464,096
UNITS OUTSTANDING			
Series A Units	119,090,600	119,580,326	111,034,793
Series T Units	16,846,011	16,121,848	16,932,246
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 13.11	$ 12.57	$ 12.24
Series T Units	$ 16.37	$ 15.75	$ 15.44

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,445,989	$ 2,505,432
Interest for distribution purposes	21,674,060	24,972,456
Net realized gain (loss) on non-derivative financial assets	46,980,723	(914,283)
Net realized gain (loss) on futures contracts	(877,934)	(218,469)
Net realized gain (loss) on currency forwards	91,179	351,430
Net gain (loss) foreign exchange	1,514	41,335
Change in unrealized appreciation (depreciation) of non-derivative financial assets	23,111,494	(7,641,736)
Change in unrealized appreciation (depreciation) of currency forwards	(294,388)	162,022
Change in unrealized appreciation (depreciation) of currency futures	182,902	(327,075)
Net gain (loss) on investments	93,315,539	18,931,112
Securities lending	2,190	13,959
Other income	24,967	25,369
Total income (loss)	93,342,696	18,970,440
EXPENSES		
Management fees (note 5)	14,274,618	14,066,435
Harmonized Sales Tax/Goods and Services Tax	1,521,512	1,541,559
Audit fees	19,306	20,838
Independent Review Committee fees	2,658	3,080
Custodian fees	2,919	2,444
Filing fees	65,469	58,829
Legal fees	5,666	7,490
Unitholder reporting costs	13,671	16,462
Unitholder administration and service fees	155,645	128,316
Overdraft charges	967	71
Foreign withholding taxes/tax reclaims	4,139	34,943
Transaction costs	589	10,793
Total expenses	16,067,159	15,891,260
Net expenses	16,067,159	15,891,260
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 77,275,537	$ 3,079,180
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 63,492,602	$ (1,462,664)
Series T Units	$ 13,782,935	$ 4,541,844
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.53	$ (0.01)
Series T Units	$ 0.84	$ 0.25
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	118,820,605	121,072,496
Series T Units	16,436,732	18,396,329

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia INNOVA Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$1,503,721,240	$1,358,934,346
Series T Units	253,904,018	261,464,096
	1,757,625,258	1,620,398,442
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	63,492,602	(1,462,664)
Series T Units	13,782,935	4,541,844
	77,275,537	3,079,180
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T Units	(3,710,946)	(4,172,064)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	180,470,897	360,618,994
Series T Units	40,268,720	78,563,435
Reinvested distributions		
Series A Units	320	–
Series T Units	1,411,021	1,533,430
Payments on redemption		
Series A Units	(186,465,527)	(137,832,371)
Series T Units	(29,889,265)	(38,547,193)
	5,796,166	264,336,295
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	57,498,292	221,323,959
Series T Units	21,862,465	41,919,452
	79,360,757	263,243,411
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	1,561,219,532	1,580,258,305
Series T Units	275,766,483	303,383,548
	$1,836,986,015	$1,883,641,853

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 77,275,537	$ 3,079,180
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(46,980,723)	914,283
Net realized gain (loss) foreign exchange on cash	(1,514)	(41,335)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(23,111,494)	7,641,734
Change in unrealized appreciation (depreciation) of forward currency contracts	294,388	(162,022)
Purchases of non-derivative financial assets	(646,544,776)	(550,651,186)
Proceeds from sale of non-derivative financial assets	623,873,448	271,557,467
Accrued investment income	857,063	(213,486)
Accrued expenses	2,797,727	2,610,947
Change in margin accounts for futures contracts	1,043,934	529,656
Net cash provided by (used in) operating activities	(10,496,410)	(264,734,762)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	219,180,556	438,978,171
Amounts paid on redemption of redeemable units	(215,251,705)	(173,921,681)
Distributions to unitholders of redeemable units	(2,565,065)	(3,058,320)
Net cash provided by (used in) financing activities	1,363,786	261,998,170
Net gain (loss) foreign exchange on cash	1,514	41,335
Net increase (decrease) in cash	(9,132,624)	(2,736,592)
Cash at beginning of period	19,832,091	28,242,292
CASH AT END OF PERIOD	$ 10,700,981	$ 25,547,035
Interest received(1)	22,529,690	24,758,970
Dividends received, net of withholding taxes(1)	2,441,850	2,470,489

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 70.4%			
29,880,697	Scotia Canadian Income Fund Series I	404,779,381	409,428,299
14,287,850	Scotia Floating Rate Income Fund Series I	142,992,277	143,445,726
11,605,723	Scotia Private American Core-Plus Bond Pool Series I	106,568,119	109,914,324
20,148,324	Scotia Private Canadian Corporate Bond Pool Series I	213,696,658	217,128,410
10,378,938	Scotia Private High Yield Income Pool Series I	96,591,245	100,606,159
16,620,926	Scotia Private Short-Mid Government Bond Pool Series I	178,717,060	175,044,945
13,385,502	Scotia Total Return Bond LP Series I	133,855,306	138,066,098
		1,277,200,046	1,293,633,961
CANADIAN EQUITY FUNDS – 14.1%			
6,450,372	1832 AM North American Preferred Share LP Series I	64,710,783	67,378,641
2,685,998	Scotia Canadian Dividend Fund Series I	103,621,219	135,189,521
2,772,210	Scotia Private Canadian Equity Pool Series I	30,252,581	37,934,917
509,044	Scotia Private Canadian Small Cap Pool Series I	11,535,374	19,246,869
		210,119,957	259,749,948
FOREIGN EQUITY FUNDS – 15.0%			
3,527,277	1832 AM Global Completion LP Series I	34,895,093	37,678,722
4,385,462	Scotia Global Low Volatility Equity LP Series I	43,855,718	46,699,025
2,031,112	Scotia Private Global Equity Pool Series I	26,137,438	37,654,174
3,347,601	Scotia Private International Equity Pool Series I	30,539,331	39,764,812
1,578,358	Scotia Private U.S. Dividend Pool Series I	22,332,004	22,827,789
8,547,646	Scotia U.S. Low Volatility Equity LP Series I	84,952,065	90,709,333
		242,711,649	275,333,855
	TOTAL INVESTMENT PORTFOLIO	1,730,031,652	1,828,717,764
	OTHER ASSETS, LESS LIABILITIES – 0.5%		8,268,251
	NET ASSETS – 100.0%		1,836,986,015

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

Scotia INNOVA Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

(i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$1,757,411,530	$1,620,236,544
Revaluation of Investments at FVTPL	213,728	161,898
Net assets attributable to holders of redeemable units	$1,757,625,258	$1,620,398,442

(ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$3,046,345
Revaluation of Investments at FVTPL	32,835
Increase (decrease) in net assets attributable to holders of redeemable units	$3,079,180

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2013	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	–	6,252,107	13,375,036
3-5 years	–	32,948,178	44,747,641
5-10 years	–	46,305,569	26,280,982
> 10 years	–	28,468,381	23,350,482
Total	$ –	$113,974,235	$107,754,141

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $17,966,895 or approximately 1.0% of total net assets attributable to holders of redeemable units (December 31, 2013 – $18,848,126 or approximately 1.1% net assets attributable to holders of redeemable units, January 1, 2013 – $17,927,842 or approximately 1.1% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	–	–	–	–
Australian Dollar	–	–	–	–
Chile Peso	–	–	–	–
Total	–	–	–	–

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	18,366,541	1.0	1,836,654	0.1
Australian Dollar	7,744,850	0.4	774,485	0.0
Chile Peso	622,815	0.0	62,282	0.0
Total	26,734,206	1.4	2,673,421	0.1

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	5,276,160	0.3	527,616	0.0
Total	5,276,160	0.3	527,616	0.0

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 29.1% (December 31, 2013 – 25.8%, January 1, 2013 – 25.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $53,508,380 (December 31, 2013 – $45,317,923, January 1, 2013 – $40,728,119). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	–	–	21.6	1.4	25.4	1.7
AA	–	–	40.5	2.6	39.4	2.6
A	–	–	21.1	1.4	20.1	1.3
BBB	–	–	13.2	0.9	11.1	0.7
BB	–	–	3.1	0.2	2.9	0.2
B	–	–	0.5	–	1.1	0.1
Total	–	–	100.0	6.5	100.0	6.6

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$5,596,410	$ –	$1,961,056	$ –	$1,473,069
Redeemable units	1,836,986,015	–	1,757,625,258	–	1,620,398,442	–
	$1,836,986,015	$5,596,410	$1,757,625,258	$1,961,056	$1,620,398,442	$1,473,069

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Bond and Debenture Instruments	–	6.5	6.6
Exchange Traded Fund	–	0.4	–
Fixed Income Funds	70.4	66.5	66.4
Canadian Equity Funds	14.1	12.2	12.0
Foreign Equity Funds	15.0	13.2	13.1
Currency Forward Contracts	–	–	–
Futures Contracts	0.5	0.1	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,828,717,764	$ –	$ –	$1,828,717,764

December 31, 2013	Level 1	Level 2	Level 3	Total
Exchange-Traded Fund	$ 7,765,831	$ –	$ –	$ 7,765,831
Mutual Funds	1,614,214,154	–	–	1,614,214,154
Bond and Debenture Instruments	–	113,974,235	–	113,974,235
Currency Forward Contracts–Assets	–	294,388	–	294,388
Futures Contracts (Long)	(59,154)	–	–	(59,154)
	$1,621,920,831	$114,268,623	$ –	$1,736,189,454

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,482,362,742	$ –	$ –	$1,482,362,742
Bond and Debenture Instruments	–	107,754,157	–	107,754,157
Futures Contracts (Long)	(47,362)	–	–	(47,362)
	$1,482,315,380	$107,754,157	$ –	$1,590,069,537

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Balanced Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,196,770,256	$1,806,937,547	$1,156,988,285
Unrealized gain on currency forward contracts	–	210,020	–
Cash	15,280,832	21,574,964	18,418,954
Accrued investment income	11,625	629,219	382,875
Subscriptions receivable	8,682,836	3,598,744	2,283,427
Margin deposited on futures	–	587,754	446,031
	2,220,745,549	1,833,538,248	1,178,519,572
LIABILITIES			
Current liabilities			
Payable for securities purchased	2,300,000	–	–
Distributions payable	809,752	752,855	478,794
Redemptions payable	1,842,036	458,508	305,682
Accrued expenses	3,554,199	–	–
	8,505,987	1,211,363	784,476
Net Assets attributable to holders of redeemable units	$2,212,239,562	$1,832,326,885	$1,177,735,096
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$1,853,015,877	$1,543,733,614	$1,017,082,023
Series T Units	$ 359,223,685	$ 288,593,271	$ 160,653,073
UNITS OUTSTANDING			
Series A Units	130,793,994	114,126,315	80,137,595
Series T Units	22,097,783	18,352,816	10,486,142
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 14.17	$ 13.53	$ 12.69
Series T Units	$ 16.26	$ 15.72	$ 15.32

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 3,370,361	$ 2,216,348
Interest for distribution purposes	19,194,464	15,755,886
Net realized gain (loss) on non-derivative financial assets	55,359,303	(515,730)
Net realized gain (loss) on futures contracts	(574,755)	453,142
Net realized gain (loss) on currency forwards	65,048	206,011
Net gain (loss) foreign exchange	34,756	28,118
Change in unrealized appreciation (depreciation) of non-derivative financial assets	36,271,350	7,651,494
Change in unrealized appreciation (depreciation) of currency forwards	(210,020)	94,978
Change in unrealized appreciation (depreciation) of currency futures	41,849	(791,081)
Net gain (loss) on investments	113,552,356	25,099,166
Securities lending	803	3,303
Other income	15,039	20,236
Total income (loss)	113,568,198	25,122,705
EXPENSES		
Management fees (note 5)	17,179,321	11,375,797
Harmonized Sales Tax/Goods and Services Tax	1,849,583	1,271,578
Audit fees	21,705	15,858
Independent Review Committee fees	3,002	2,341
Custodian fees	2,974	2,080
Filing fees	59,397	40,031
Legal fees	6,444	5,713
Unitholder reporting costs	13,953	13,366
Unitholder administration and service fees	168,116	100,470
Overdraft charges	189	11
Foreign withholding taxes/tax reclaims	3,102	19,386
Transaction costs	451	10,365
Total expenses	19,308,237	12,856,996
Net expenses	19,308,237	12,856,996
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$ 94,259,961	$12,265,709
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$ 77,894,048	$11,181,536
Series T Units	$ 16,365,913	$ 1,084,173
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.63	$ 0.12
Series T Units	$ 0.81	$ 0.09
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	123,213,616	90,641,698
Series T Units	20,215,875	12,139,800

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$1,543,733,614	$1,017,082,023
Series T Units	288,593,271	160,653,073
	1,832,326,885	1,177,735,096
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	77,894,048	11,181,536
Series T Units	16,365,913	1,084,173
	94,259,961	12,265,709
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T Units	(6,154,105)	(3,723,236)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	361,259,847	334,618,811
Series T Units	89,897,360	72,106,893
Reinvested distributions		
Series A Units	735	–
Series T Units	1,657,721	1,001,976
Payments on redemption		
Series A Units	(129,872,367)	(79,330,616)
Series T Units	(31,136,475)	(20,749,280)
	291,806,821	307,647,784
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	309,282,263	266,469,731
Series T Units	70,630,414	49,720,526
	379,912,677	316,190,257
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	1,853,015,877	1,283,551,754
Series T Units	359,223,685	210,373,599
	$2,212,239,562	$1,493,925,353

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 94,259,961	$ 12,265,709
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(55,359,303)	515,730
Net realized gain (loss) foreign exchange on cash	(34,756)	(28,118)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(36,271,350)	(7,651,494)
Change in unrealized appreciation (depreciation) of forward currency contracts	210,020	(94,978)
Purchases of non-derivative financial assets	(948,193,683)	(458,645,767)
Proceeds from sale of non-derivative financial assets	652,291,627	151,913,218
Transaction costs	–	4,468
Accrued investment income	617,594	(142,133)
Accrued expenses	3,554,199	2,178,424
Change in margin accounts for futures contracts	587,754	325,634
Net cash provided by (used in) operating activities	(288,337,937)	(299,359,307)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	446,073,115	406,248,774
Amounts paid on redemption of redeemable units	(159,625,314)	(99,399,242)
Distributions to unitholders of redeemable units	(4,438,752)	(2,690,356)
Net cash provided by (used in) financing activities	282,009,049	304,159,176
Net gain (loss) foreign exchange on cash	34,756	28,118
Net increase (decrease) in cash	(6,328,888)	4,799,869
Cash at beginning of period	21,574,964	19,138,954
CASH AT END OF PERIOD	$ 15,280,832	$ 23,966,941
Interest received(1)	19,811,277	15,613,753
Dividends received, net of withholding taxes(1)	3,367,259	2,196,962

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 54.1%			
28,463,086	Scotia Canadian Income Fund Series I	385,809,638	390,004,048
15,601,550	Scotia Floating Rate Income Fund Series I	156,154,301	156,634,882
13,774,137	Scotia Private American Core-Plus Bond Pool Series I	125,959,920	130,450,722
13,590,181	Scotia Private Canadian Corporate Bond Pool Series I	144,362,489	146,454,586
11,689,128	Scotia Private High Yield Income Pool Series I	109,275,896	113,306,227
13,382,115	Scotia Private Short-Mid Government Bond Pool Series I	142,443,458	140,935,082
11,562,520	Scotia Total Return Bond LP Series I	115,790,594	119,262,768
		1,179,796,296	1,197,048,315
CANADIAN EQUITY FUNDS – 21.3%			
9,870,072	1832 AM North American Preferred Share LP Series I	99,136,490	103,099,805
3,983,859	Scotia Canadian Dividend Fund Series I	160,981,462	200,512,407
8,014,795	Scotia Private Canadian Equity Pool Series I	89,648,599	109,674,450
1,519,533	Scotia Private Canadian Small Cap Pool Series I	36,519,286	57,453,243
		386,285,837	470,739,905
FOREIGN EQUITY FUNDS – 23.9%			
5,234,423	1832 AM Global Completion LP Series I	52,359,659	55,914,627
8,873,512	Scotia Global Low Volatility Equity LP Series I	89,012,616	94,490,467
3,237,188	Scotia Private Global Equity Pool Series I	43,468,190	60,013,248
7,311,933	Scotia Private International Equity Pool Series I	71,985,149	86,855,519
1,874,884	Scotia Private U.S. Dividend Pool Series I	26,560,289	27,116,454
2,675,172	Scotia Private U.S. Value Pool Series I	30,831,762	43,500,442
15,179,819	Scotia U.S. Low Volatility Equity LP Series I	151,447,804	161,091,279
		465,665,469	528,982,036
	TOTAL INVESTMENT PORTFOLIO	2,031,747,602	2,196,770,256
	OTHER ASSETS, LESS LIABILITIES – 0.7%		15,469,306
	NET ASSETS – 100.0%		2,212,239,562

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

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS1 and the related explanation of any significant adjustments are as follows:

i) Reconciliations of net assets as previously reported under Canadian GAAP

Equity	December 31, 2013	January 1, 2013
Net assets as reported under Canadian GAAP	$1,832,172,220	$1,177,648,234
Revaluation of Investments at FVTPL	154,665	86,862
Net assets attributable to holders of redeemable units	$1,832,326,885	$1,177,735,096

ii) Reconciliations of comprehensive income as previously reported under Canadian GAAP

Comprehensive Income	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$12,242,033
Revaluation of Investments at FVTPL	23,676
Increase (decrease) in net assets attributable to holders of redeemable units	$12,265,709

The difference in the amounts reported under Canadian GAAP and the amounts reported under IFRS is mainly due to the revaluation of investments at FVTPL upon transition to IFRS.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2013	December 31, 2013	January 1, 2013
Less than 1 year	–	$ –	$ –
1-3 years	–	4,557,389	6,965,179
3-5 years	–	24,104,872	24,274,053
5-10 years	–	34,697,407	14,087,061
> 10 years	–	21,989,923	12,209,363
Total	–	$85,349,591	$57,535,656

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $17,144,545 or approximately 0.8% of total net assets attributable to holders of redeemable units (December 31, 2013 – $15,857,402 or approximately 0.9% net assets attributable to holders of redeemable units, January 1, 2013 – $10,700,640 or approximately 0.9% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary assets of the Fund. The Fund did not hold any non-monetary items which were exposed to currency risk. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Chile Peso	–	–	–	–
Australian Dollar	–	–	–	–
US Dollar	–	–	–	–
Total	–	–	–	–

	December 31, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
Chile Peso	363,309	0.0	36,331	0.0
Australian Dollar	5,513,880	0.3	551,388	0.0
US Dollar	13,147,380	0.7	1,314,738	0.1
Total	19,024,569	1.0	1,902,457	0.1

	January 1, 2013			
Currency	Net Currency Exposure ($)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	2,814,771	0.2	281,477	0.0
Total	2,814,771	0.2	281,477	0.0

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 45.2% (December 31, 2013 – 41.5%, January 1, 2013 – 39.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $99,972,194 (December 31, 2013 – $76,087,476, January 1, 2013 – $46,995,401). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	–	–	22.3	1.0	25.3	1.2
AA	–	–	42.2	2.0	39.2	2.0
A	–	–	20.6	1.0	20.2	1.0
BBB	–	–	12.0	0.6	11.2	0.5
BB	–	–	2.5	0.1	3.0	0.1
B	–	–	0.4	–	1.1	0.1
Total	–	–	100.0	4.7	100.0	4.9

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$8,505,987	$ –	$1,211,363	$ –	$784,476
Redeemable units	2,212,239,562	–	1,832,326,885	–	1,177,735,096	–
	$2,212,239,562	$8,505,987	$1,832,326,885	$1,211,363	$1,177,735,096	$784,476

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Bond and Debenture Instruments	–	4.7	4.9
Exchange-Traded Funds	–	0.3	–
Fixed Income Funds	54.1	52.4	53.5
Canadian Equity Funds	21.3	18.5	17.9
Foreign Equity Funds	23.9	22.7	22.0
Futures Contracts	–	–	–
Currency Forward Contracts	–	–	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,196,770,256	$ –	$ –	$2,196,770,256

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2013	Level 1	Level 2	Level 3	Total
Exchange-Traded Fund	$ 5,820,410	$ –	$ –	$ 5,820,410
Mutual Funds	1,715,767,546	–	–	1,715,767,546
Bond and Debenture Instruments	–	85,349,591	–	85,349,591
Currency Forward Contracts–Assets	–	210,020	–	210,020
Futures Contracts (Long)	(43,346)	–	–	(43,346)
	$1,721,544,610	$85,559,611	$ –	$1,807,104,221

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,099,452,629	$ –	$ –	$1,099,452,629
Bond and Debenture Instruments	–	57,535,656	–	57,535,656
Futures Contracts (Long)	(25,595)	–	–	(25,595)
	$1,099,427,034	$57,535,656	$ –	$1,156,962,690

Transfers Between

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Balanced Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,562,611,394	$2,047,240,763	$1,198,552,323
Cash	20,209,615	15,261,793	9,607,520
Accrued investment income	14,205	11,404	6,224
Subscriptions receivable	5,620,126	3,862,886	2,047,951
	2,588,455,340	2,066,376,846	1,210,214,018
LIABILITIES			
Current liabilities			
Payable for securities purchased	4,500,000	–	–
Distributions payable	997,546	814,670	361,616
Redemptions payable	1,072,576	671,855	1,129,665
Accrued expenses	4,365,769	–	–
	10,935,891	1,486,525	1,491,281
Net Assets attributable to holders of redeemable units	$2,577,519,449	$2,064,890,321	$1,208,722,737
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$2,242,450,351	$1,805,417,072	$1,084,804,104
Series T Units	$ 335,069,098	$ 259,473,249	$ 123,918,633
UNITS OUTSTANDING			
Series A Units	146,629,412	124,483,772	83,407,185
Series T Units	20,964,961	16,705,124	8,448,395
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 15.29	$ 14.50	$ 13.01
Series T Units	$ 15.98	$ 15.53	$ 14.67

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain(loss on investments (note2)		
Dividends	$ 4,629,504	$ 3,762,254
Interest for distribution purposes	15,849,935	10,293,565
Net realized gain (loss) on non-derivative financial assets	78,086,452	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	47,188,151	35,200,606
Net gain (loss) on investments	145,754,042	49,256,425
Other income	11,294	11,134
Total income (loss)	145,765,336	49,267,559
EXPENSES		
Management fees (note 5)	20,921,764	12,427,026
Harmonized Sales Tax/Goods and Services Tax	2,195,494	1,378,065
Audit fees	24,843	16,361
Independent Review Committee fees	3,451	2,416
Custodian fees	1,422	971
Filing fees	65,950	41,190
Legal fees	7,418	5,895
Unitholder reporting costs	15,461	14,265
Unitholder administration and service fees	191,410	105,312
Total expenses	23,427,213	13,991,501
Net expenses	23,427,213	13,991,501
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$122,338,123	$35,276,058
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$106,785,482	$32,671,470
Series T Units	$ 15,552,641	$ 2,604,588
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.78	$ 0.35
Series T Units	$ 0.82	$ 0.28
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	136,744,908	94,281,767
Series T Units	19,057,072	9,442,674

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

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

Scotia INNOVA Balanced Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$1,805,417,072	$1,084,804,104
Series T Units	259,473,249	123,918,633
	2,064,890,321	1,208,722,737
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	106,785,482	32,671,470
Series T Units	15,552,641	2,604,588
	122,338,123	35,276,058
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A Units	–	30
Series T Units	(7,274,191)	(3,603,952)
	(7,274,191)	(3,603,922)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	446,585,269	348,031,182
Series T Units	91,949,608	49,991,926
Reinvested distributions		
Series A Units	–	3,175
Series T Units	1,762,639	1,166,437
Payments on redemption		
Series A Units	(116,337,472)	(64,222,522)
Series T Units	(26,394,848)	(14,309,227)
	397,565,196	320,660,971
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	437,033,279	316,483,335
Series T Units	75,595,849	35,849,772
	512,629,128	352,333,107
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	2,242,450,351	1,401,287,439
Series T Units	335,069,098	159,768,405
	$2,577,519,449	$1,561,055,844

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 122,338,123	$ 35,276,058
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(78,086,452)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(47,188,151)	(35,200,606)
Purchases of non-derivative financial assets	(1,133,474,393)	(314,530,169)
Proceeds from sale of non-derivative financial assets	747,878,365	–
Accrued investment income	(2,801)	(1,698)
Accrued expenses	4,365,769	2,385,529
Net cash provided by (used in) operating activities	(384,169,540)	(312,070,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	536,777,637	395,712,004
Amounts paid on redemption of redeemable units	(142,331,599)	(78,621,403)
Distributions to unitholders of redeemable units	(5,328,676)	(2,320,983)
Net cash provided by (used in) financing activities	389,117,362	314,769,619
Net increase (decrease) in cash	4,947,822	2,698,733
Cash at beginning of period	15,261,793	9,607,520
CASH AT END OF PERIOD	$ 20,209,615	$ 12,306,253
Interest received(1)	15,847,134	10,291,867
Dividends received, net of withholding taxes(1)	4,629,504	3,762,254

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 34.7%			
31,305,663	Scotia Canadian Income Fund Series I	424,959,145	428,953,330
10,039,009	Scotia Floating Rate Income Fund Series I	100,465,195	100,788,641
15,955,209	Scotia Private American Core-Plus Bond Pool Series I	146,244,321	151,107,002
10,535,805	Scotia Private Canadian Corporate Bond Pool Series I	112,578,953	113,539,103
10,393,920	Scotia Private High Yield Income Pool Series I	97,218,079	100,751,387
		881,465,693	895,139,463
CANADIAN EQUITY FUNDS – 29.2%			
10,877,376	1832 AM North American Preferred Share LP Series I	109,285,267	113,621,791
5,680,808	Scotia Canadian Dividend Fund Series I	232,519,809	285,921,857
12,188,478	Scotia Private Canadian Equity Pool Series I	138,466,829	166,787,133
3,440,767	Scotia Private Canadian Growth Pool Series I	42,471,784	53,523,534
3,513,367	Scotia Private Canadian Small Cap Pool Series I	86,480,833	132,839,716
		609,224,522	752,694,031
FOREIGN EQUITY FUNDS – 35.5%			
5,988,684	1832 AM Global Completion LP Series I	59,678,924	63,971,724
14,419,885	Scotia Global Low Volatility Equity LP Series I	144,842,074	153,551,573
4,001,118	Scotia Private Emerging Markets Pool Series I	36,855,855	38,482,351
5,445,025	Scotia Private Global Equity Pool Series I	73,976,650	100,943,680
1,519,437	Scotia Private Global Real Estate Pool Series I	19,719,734	25,363,049
11,190,889	Scotia Private International Equity Pool Series I	111,561,353	132,932,081
3,039,415	Scotia Private U.S. Dividend Pool Series I	43,069,263	43,959,054
1,909,343	Scotia Private U.S. Mid Cap Growth Pool Series I	34,481,913	44,647,887
3,880,309	Scotia Private U.S. Value Pool Series I	45,441,173	63,096,927
23,353,270	Scotia U.S. Low Volatility Equity LP Series I	233,001,682	247,829,574
		802,628,621	914,777,900
	TOTAL INVESTMENT PORTFOLIO	2,293,318,836	2,562,611,394
	OTHER ASSETS, LESS LIABILITIES – 0.6%		14,908,055
	NET ASSETS – 100.0%		2,577,519,449

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

Scotia INNOVA Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $14,385,565 or approximately 0.6% of total net assets attributable to holders of redeemable units (December 31, 2013 – $11,119,333 or approximately 0.5% net assets attributable to holders of redeemable units, January 1, 2013 – $7,047,108 or approximately 0.6% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 64.7% (December 31, 2013 – 65.0%, January 1, 2013 – 59.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $166,747,193 (December 31, 2013 – $134,341,137, January 1, 2013 – $72,356,465). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$10,935,891	$ –	$1,486,525	$ –	$1,491,281
Redeemable units	2,577,519,449	–	2,064,890,321	–	1,208,722,737	–
	$2,577,519,449	$10,935,891	$2,064,890,321	$1,486,525	$1,208,722,737	$1,491,281

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	34.7	34.1	39.3
Canadian Equity Funds	29.2	31.2	26.9
Foreign Equity Funds	35.5	33.8	33.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,562,611,394	$ –	$ –	$2,562,611,394

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,047,240,763	$ –	$ –	$2,047,240,763

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,198,552,323	$ –	$ –	$1,198,552,323

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,278,644,741	$943,305,076	$530,674,308
Cash	9,571,344	7,988,361	4,002,877
Accrued investment income	8,074	5,445	2,895
Subscriptions receivable	3,610,911	2,132,143	706,157
	1,291,835,070	953,431,025	535,386,237
LIABILITIES			
Current liabilities			
Payable for securities purchased	2,500,000	–	–
Distributions payable	–	5,564	3,041
Redemptions payable	488,652	344,277	227,682
Accrued expenses	2,278,724	–	–
	5,267,376	349,841	230,723
Net Assets attributable to holders of redeemable units	$1,286,567,694	$953,081,184	$535,155,514
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$1,286,567,694	$953,081,184	$535,155,514
UNITS OUTSTANDING			
Series A Units	77,237,242	60,551,196	39,395,201
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 16.66	$ 15.74	$ 13.58

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,030,826	$ 1,558,873
Interest for distribution purposes	4,886,300	2,876,695
Net realized gain (loss) on non-derivative financial assets	41,199,326	278,021
Change in unrealized appreciation (depreciation) of non-derivative financial assets	26,909,110	25,673,073
Net gain (loss) on investments	75,025,562	30,386,662
Other income	6,863	4,311
Total income (loss)	75,032,425	30,390,973
EXPENSES		
Management fees (note 5)	10,627,844	5,897,083
Harmonized Sales Tax/Goods and Services Tax	1,045,301	612,353
Audit fees	11,983	7,370
Independent Review Committee fees	1,658	1,086
Custodian fees	1,357	717
Filing fees	31,630	21,235
Legal fees	3,579	2,652
Unitholder reporting costs	8,606	7,598
Unitholder administration and service fees	92,251	47,844
Overdraft charges	–	283
Total expenses	11,824,209	6,598,221
Net expenses	11,824,209	6,598,221
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$63,208,216	$23,792,752
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$63,208,216	$23,792,752
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 0.91	$ 0.53
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	69,229,088	44,773,960

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$ 953,081,184	$535,155,514
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	63,208,216	23,792,752
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	325,221,335	181,421,954
Reinvested distributions		
Series A Units	–	–
Payments on redemption		
Series A Units	(54,943,041)	(32,162,508)
	270,278,294	149,259,446
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	333,486,510	173,052,198
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$1,286,567,694	$708,207,712

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 63,208,216	$ 23,792,752
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(41,199,326)	(278,021)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(26,909,110)	(25,673,073)
Purchases of non-derivative financial assets	(544,998,193)	(149,313,420)
Proceeds from sale of non-derivative financial assets	280,266,965	4,000,000
Accrued investment income	(2,629)	(671)
Accrued expenses	2,278,724	1,130,734
Net cash provided by (used in) operating activities	(267,355,353)	(146,341,699)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	323,742,212	180,405,450
Amounts paid on redemption of redeemable units	(54,798,666)	(32,061,855)
Distributions to unitholders of redeemable units	(5,208)	(2,871)
Net cash provided by (used in) financing activities	268,938,338	148,340,724
Net increase (decrease) in cash	1,582,985	1,999,025
Cash at beginning of period	7,988,361	4,002,877
CASH AT END OF PERIOD	$ 9,571,346	$ 6,001,902
Interest received(1)	4,883,671	2,876,024
Dividends received, net of withholding taxes(1)	2,030,826	1,558,873

(1) Classified as operating items.

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

Scotia INNOVA Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 21.3%			
9,653,551	Scotia Canadian Income Fund Series I	130,843,607	132,273,915
3,140,744	Scotia Floating Rate Income Fund Series I	31,436,171	31,532,128
6,314,152	Scotia Private American Core-Plus Bond Pool Series I	58,190,326	59,799,442
5,211,496	Scotia Private High Yield Income Pool Series I	49,427,105	50,516,598
		269,897,209	274,122,083
CANADIAN EQUITY FUNDS – 33.9%			
3,911,974	1832 AM North American Preferred Share LP Series I	39,321,301	40,863,306
2,808,517	Scotia Canadian Dividend Fund Series I	116,880,951	141,356,006
6,750,662	Scotia Private Canadian Equity Pool Series I	77,365,919	92,376,056
4,043,540	Scotia Private Canadian Growth Pool Series I	50,496,689	62,900,102
2,606,696	Scotia Private Canadian Small Cap Pool Series I	67,320,921	98,558,656
		351,385,781	436,054,126
FOREIGN EQUITY FUNDS – 44.2%			
4,450,921	1832 AM Global Completion LP Series I	44,612,255	47,545,179
8,945,722	Scotia Global Low Volatility Equity LP Series I	90,045,510	95,259,410
4,612,619	Scotia Private Emerging Markets Pool Series I	42,503,409	44,363,711
3,389,042	Scotia Private Global Equity Pool Series I	47,531,287	62,828,437
1,900,687	Scotia Private Global Real Estate Pool Series I	25,093,514	31,727,032
6,116,701	Scotia Private International Equity Pool Series I	61,986,252	72,657,844
1,626,000	Scotia Private U.S. Mid Cap Growth Pool Series I	31,353,475	38,022,222
3,083,733	Scotia Private U.S. Value Pool Series I	37,107,319	50,143,974
11,865,657	Scotia U.S. Low Volatility Equity LP Series I	118,957,763	125,920,723
		499,190,784	568,468,532
	TOTAL INVESTMENT PORTFOLIO	1,120,473,774	1,278,644,741
	OTHER ASSETS, LESS LIABILITIES – 0.6%		7,922,953
	NET ASSETS – 100.0%		1,286,567,694

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

Scotia INNOVA Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of long term capital appreciation and current income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $4,420,566 or approximately 0.3% of total net assets attributable to holders of redeemable units (December 31, 2013 – $3,046,520 or approximately 0.3% net assets attributable to holders of redeemable units, January 1, 2013 – $1,860,951 or approximately 0.3% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 78.1% (December 31, 2013 – 78.3%, January 1, 2013 – 74.6%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $100,452,266 (December 31, 2013 – $74,603,101, January 1, 2013 – $39,903,143). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$5,267,376	$ –	$349,841	$ –	$230,723
Redeemable units	1,286,567,694	–	953,081,184	–	535,155,514	–
	$1,286,567,694	$5,267,376	$953,081,184	$349,841	$535,155,514	$230,723

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

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Fixed Income Funds	21.3	20.7	24.6
Canadian Equity Funds	33.9	36.7	33.3
Foreign Equity Funds	44.2	41.6	41.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$1,278,644,741	$ –	$ –	$1,278,644,741

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 943,305,078	$ –	$ –	$ 943,305,078

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 530,674,308	$ –	$ –	$ 530,674,308

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Maximum Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$332,570,808	$230,812,740	$116,594,382
Cash	2,818,176	2,197,165	866,144
Accrued investment income	2,128	1,583	582
Subscriptions receivable	1,275,053	765,907	97,098
	336,666,165	233,777,395	117,558,206
LIABILITIES			
Current liabilities			
Payable for securities purchased	1,040,000	–	–
Redemptions payable	311,497	228,812	81,236
Accrued expenses	621,050	–	–
	1,972,547	228,812	81,236
Net Assets attributable to holders of redeemable units	$334,693,618	$233,548,583	$117,476,970
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES			
Series A Units	$334,693,618	$233,548,583	$117,476,970
UNITS OUTSTANDING			
Series A Units	18,512,303	13,673,793	8,482,936
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT			
Series A Units	$ 18.08	$ 17.08	$ 13.85

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 573,001	$ 328,375
Interest for distribution purposes	453,530	7,989
Net realized gain (loss) on non-derivative financial assets	13,707,712	48,473
Change in unrealized appreciation (depreciation) of non-derivative financial assets	4,642,267	9,588,386
Net gain (loss) on investments	19,376,510	9,973,223
Other income	2,816	672
Total income (loss)	19,379,326	9,973,895
EXPENSES		
Management fees (note 5)	2,838,211	1,390,264
Harmonized Sales Tax/Goods and Services Tax	266,709	138,455
Audit fees	3,092	1,678
Independent Review Committee fees	420	243
Custodian fees	1,033	616
Filing fees	11,984	8,995
Legal fees	910	595
Unitholder reporting costs	3,653	3,425
Unitholder administration and service fees	23,554	11,213
Total expenses	3,149,566	1,555,484
Net expenses	3,149,566	1,555,484
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$16,229,760	$8,418,411
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A Units	$16,229,760	$8,418,411
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A Units	$ 1.00	$ 0.87
WEIGHTED AVERAGE NUMBER OF UNITS		
Series A Units	16,282,596	9,709,375

* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Units	$233,548,583	$117,476,970
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Units	16,229,760	8,418,411
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A Units	100,990,976	44,609,633
Payments on redemption		
Series A Units	(16,075,701)	(7,672,870)
	84,915,275	36,936,763
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A Units	101,145,035	45,355,174
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD		
Series A Units	$334,693,618	$162,832,144

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 16,229,760	$ 8,418,411
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(13,707,712)	(48,473)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(4,642,267)	(9,588,386)
Purchases of non-derivative financial assets	(154,938,277)	(35,474,908)
Proceeds from sale of non-derivative financial assets	72,570,188	350,008
Accrued investment income	(545)	(283)
Accrued expenses	621,050	272,283
Net cash provided by (used in) operating activities	(83,867,803)	(36,071,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	100,481,830	44,129,079
Amounts paid on redemption of redeemable units	(15,993,016)	(7,536,297)
Net cash provided by (used in) financing activities	84,488,814	36,592,782
Net increase (decrease) in cash	621,011	521,434
Cash at beginning of period	2,197,165	866,144
CASH AT END OF PERIOD	$ 2,818,176	$ 1,387,578
Interest received(1)	452,985	7,706
Dividends received, net of withholding taxes(1)	573,001	328,375

(1) Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 7.9%			
720,394	Scotia Canadian Income Fund Series I	9,813,995	9,870,906
960,987	Scotia Private American Core-Plus Bond Pool Series I	8,939,790	9,101,223
760,250	Scotia Private High Yield Income Pool Series I	7,413,735	7,369,329
		26,167,520	26,341,458
CANADIAN EQUITY FUNDS – 38.7%			
632,015	1832 AM North American Preferred Share LP Series I	6,335,187	6,601,835
826,814	Scotia Canadian Dividend Fund Series I	35,005,804	41,614,555
1,249,799	Scotia Private Canadian Equity Pool Series I	14,546,309	17,102,246
1,923,620	Scotia Private Canadian Growth Pool Series I	24,362,213	29,923,262
903,117	Scotia Private Canadian Small Cap Pool Series I	24,558,078	34,146,664
		104,807,591	129,388,562
FOREIGN EQUITY FUNDS – 52.8%			
1,539,204	1832 AM Global Completion LP Series I	15,536,352	16,441,927
1,841,292	Scotia Global Low Volatility Equity LP Series I	18,568,773	19,607,180
1,715,147	Scotia Private Emerging Markets Pool Series I	15,812,968	16,496,117
1,060,085	Scotia Private Global Equity Pool Series I	15,379,752	19,652,596
791,504	Scotia Private Global Real Estate Pool Series I	10,756,110	13,212,095
2,620,566	Scotia Private International Equity Pool Series I	27,119,197	31,128,650
561,509	Scotia Private U.S. Mid Cap Growth Pool Series I	10,992,328	13,130,281
1,098,212	Scotia Private U.S. Value Pool Series I	13,734,319	17,857,802
2,762,306	Scotia U.S. Low Volatility Equity LP Series I	27,569,268	29,314,140
		155,469,067	176,840,788
	TOTAL INVESTMENT PORTFOLIO	286,444,178	332,570,808
	OTHER ASSETS, LESS LIABILITIES – 0.6%		2,122,810
	NET ASSETS – 100.0%		334,693,618

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

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 91.5% (December 31, 2013 – 98.8%, January 1, 2013 – 99.2%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $30,622,935 (December 31, 2013 – $23,081,274, January 1, 2013 – $11,659,438). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,972,547	$ –	$228,812	$ –	$81,236
Redeemable units	334,693,618	–	233,548,583	–	117,476,970	–
	$334,693,618	$1,972,547	$233,548,583	$228,812	$117,476,970	$81,236

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	7.9	–	–
Canadian Equity Funds	38.7	45.4	45.0
Foreign Equity Funds	52.8	53.4	54.2

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$332,570,808	$ –	$ –	$332,570,808

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$230,812,740	$ –	$ –	$230,812,740

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$116,594,382	$ –	$ –	$116,594,382

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Short Term Yield Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$152,961	$151,780	$150,953
Cash	875	929	–
Accrued investment income	1	198	–
	153,837	152,907	150,953
LIABILITIES			
Current liabilities			
Bank indebtedness	–	–	2
Accrued expenses	12	–	–
	12	–	2
Net Assets attributable to holders of redeemable shares	$153,825	$152,907	$150,951
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series M Shares	$153,824	$152,907	$150,951
SHARES OUTSTANDING			
Series M Shares	15,068	15,068	15,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series M Shares	$ 10.21	$ 10.15	$ 10.06

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 988	$ 1,032
Change in unrealized appreciation (depreciation) of non-derivative financial assets	–	2
Net gain (loss) on investments	988	1,034
Total income (loss)	988	1,034
EXPENSES		
Management fees (note 5)	24	51
Administration fees (note 6)	37	36
Harmonized Sales Tax/Goods and Services Tax	9	13
Total expenses	70	100
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 918	$ 934
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M Shares	$ 918	$ 934
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series M Shares	$ 0.06	$ 0.06
WEIGHTED AVERAGE NUMBER OF SHARES		
Series M Shares	15,068	15,047

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series M Shares	$152,907	$150,951
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M Shares	918	934
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M Shares	–	(679)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Reinvested distributions		
Series M Shares	–	679
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M Shares	918	934
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series M Shares	$153,825	$151,885

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 918	$ 934
Adjustments For:		
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	–	(2)
Purchases of non-derivative financial assets	(1,181)	(865)
Proceeds from sale of non-derivative financial assets	–	1,100
Accrued investment income	197	(167)
Accrued expenses	12	40
Net cash provided by (used in) operating activities	(54)	1,040
Net increase (decrease) in cash	(54)	1,040
Cash at beginning of period	929	(2)
CASH AT END OF PERIOD	$ 875	$1,038
Interest received(1)	988	1,032

(1) Classified as operating items.

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

Scotia Short Term Yield Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CASH EQUIVALENT FUND – 99.4%			
15,296	Scotia Money Market Fund Series I	152,961	152,961
	TOTAL INVESTMENT PORTFOLIO	152,961	152,961
	OTHER ASSETS, LESS LIABILITIES – 0.6%		864
	NET ASSETS – 100.0%		153,825

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

Scotia Short Term Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety by primarily investing in, or providing exposure to, high quality, short term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Credit risk

The table below summarizes the Fund's indirect proportional exposure to the underlying fund's investments in preferred shares, bond and debenture instruments, excluding cash and money market instruments. The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Money Market Instruments (%)	Percentage of Net Assets (%)
Short-Term Rating						
R1-High	14.0	14.0	11.3	11.3	18.4	18.4
R1-Middle	8.2	8.2	12.7	12.7	5.3	5.3
R1-Low	17.7	17.7	17.6	17.6	11.4	11.4
Unrated	4.1	4.1				
Bond Credit Rating						
AAA	4.8	4.8	1.8	1.8	13.1	13.1
AA	28.5	28.5	31.9	31.8	25.5	25.5
A	21.7	21.7	23.7	23.7	26.3	26.2
BBB	1.0	1.0	1.0	1.0	–	–
Total	100.0	100.0	100.0	99.9	100.0	99.9

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$12	$ –	$ –	$ –	$2
Redeemable units	153,825	–	152,907	–	150,951	–
	$153,825	$12	$152,907	$ –	$150,951	$2

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Promissory Notes	0.6	–	–
Bankers' Acceptances	8.1	6.2	7.8
Bearers' Deposit Notes	2.8	1.8	2.3
Commercial Paper	32.5	33.5	25.0
Short-Term Bonds	56.0	58.4	64.8

Scotia Short Term Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$152,961	$ –	$ –	$152,961

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$151,780	$ –	$ –	$151,780

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$150,953	$ –	$ –	$150,953

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Conservative Government Bond Capital Yield Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$39,461,593	$56,093,089	$74,615,255
Cash	–	879,010	7,977,290
Accrued investment income	3	26	1,704
Receivable for securities sold	144,000	–	–
Subscriptions receivable	–	–	322,059
	39,605,596	56,972,125	82,916,308
LIABILITIES			
Current liabilities			
Bank indebtedness	36,582	–	–
Redemptions payable	85,826	99,923	5,900
Accrued expenses	21,519	–	–
	143,927	99,923	5,900
Net Assets attributable to holders of redeemable shares	$39,461,669	$56,872,202	$82,910,408
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$16,135,317	$27,200,789	$47,865,204
Series M Shares	$23,326,352	$29,671,413	$35,045,204
SHARES OUTSTANDING			
Series A Shares	1,593,866	2,740,875	4,728,572
Series M Shares	2,271,477	2,964,930	3,480,599
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 10.12	$ 9.92	$ 10.12
Series M Shares	$ 10.27	$ 10.01	$ 10.07

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 182	$ 3,964
Net realized gain (loss) on non-derivative financial assets	293,214	55,360
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,024,291	(880,413)
Net gain (loss) on investments	1,317,687	(821,089)
Other income	–	694
Total income (loss)	1,317,687	(820,395)
EXPENSES		
Management fees (note 5)	117,580	246,817
Administration fees (note 6)	16,065	32,102
Harmonized Sales Tax/Goods and Services Tax	15,875	32,987
Independent Review Committee fees	67	151
Overdraft charges	6,523	3,155
Total expenses	156,110	315,212
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$1,161,577	$(1,135,607)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$ 470,500	$ (620,889)
Series M Shares	$ 691,077	$ (514,718)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.24	$ (0.15)
Series M Shares	$ 0.28	$ (0.11)
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	1,978,543	4,105,716
Series M Shares	2,436,423	4,756,565

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$ 27,200,789	$ 47,865,204
Series M Shares	29,671,413	35,045,204
	56,872,202	82,910,408
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	470,500	(620,889)
Series M Shares	691,077	(514,718)
	1,161,577	(1,135,607)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(215,272)
Series M Shares	–	(157,618)
	–	(372,890)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	–	1,512,417
Series M Shares	114,854	18,505,132
Reinvested distributions		
Series A Shares	–	200,375
Series M Shares	–	157,618
Payments on redemption		
Series A Shares	(11,535,972)	(12,389,590)
Series M Shares	(7,150,992)	(4,658,488)
	(18,572,110)	3,327,464
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARE		
Series A Shares	(11,065,472)	(11,512,959)
Series M Shares	(6,345,061)	13,331,926
	(17,410,533)	1,818,967
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	16,135,317	36,352,245
Series M Shares	23,326,352	48,377,130
	$ 39,461,669	$ 84,729,375

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 1,161,578	$ (1,135,607)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(293,214)	(55,360)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,024,291)	880,413
Purchases of non-derivative financial assets	–	(23,287,000)
Proceeds from sale of non-derivative financial assets	17,805,000	11,949,153
Accrued investment income	23	1,703
Accrued expenses	21,519	43,463
Net cash provided by (used in) operating activities	17,670,615	(11,603,235)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	114,854	20,339,608
Amounts paid on redemption of redeemable shares	(18,701,061)	(16,889,854)
Distributions to shareholders of redeemable shares	–	(14,897)
Net cash provided by (used in) financing activities	(18,586,207)	3,434,857
Net increase (decrease) in cash	(915,592)	(8,168,378)
Cash at beginning of period	879,010	7,977,290
CASH (BANK INDEBTEDNESS) AT END OF PERIOD	$ (36,582)	$ (191,088)
Interest received(1)	205	5,667

(1) Classified as operating items.

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

Scotia Conservative Government Bond Capital Yield Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 100.0%			
3,822,390	Scotia Conservative Government Bond LP Series I	38,422,385	39,461,593
	TOTAL INVESTMENT PORTFOLIO	38,422,385	39,461,593
	OTHER ASSETS, LESS LIABILITIES – 0.0%		76
	NET ASSETS – 100.0%		39,461,669

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

Scotia Conservative Government Bond Capital Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and modest capital gains by primarily providing exposure to bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments or agency of such governments, and money market instruments of Canadian issuers, including commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

The Fund invests in units of the Scotia Conservative Government Bond LP Series I, which indirectly invests in units of the Scotia Private Short-Mid Government Bond Pool Series I (the "Reference Fund") through the use of forward contracts. As a result, the Fund is indirectly exposed to the financial instrument risks of the Reference Fund.

i) Interest rate risk

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

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	599,712,429	380,481,054	199,694,551
3-5 years	375,270,067	422,353,228	183,477,723
5-10 years	476,916,160	487,294,071	834,452,650
> 10 years	–	–	–
Total	$1,451,898,656	$1,290,128,353	$1,217,624,924

* Earlier of maturity or interest reset date. Excludes cash, money market instruments and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $379,120 or approximately 1.0% of total net assets attributable to holders of redeemable units (December 31, 2013 – $673,133 or approximately 1.2% net assets attributable to holders of redeemable units, January 1, 2013 – $988,152 or approximately 1.2% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Credit risk

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

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	55.3	53.6	57.2	57.0	62.2	61.4
AA	23.7	23.0	27.2	27.1	24.6	24.3
A	21.0	20.6	15.6	15.5	13.2	13.0
Total	100.0	97.2	100.0	99.6	100.0	98.7

The Fund is indirectly exposed to credit risk associated with TD Global Finance (the Counterparty) through forward contracts held by the underlying fund. The Counterparty has a credit rating of AA- by Standard and Poor's.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$143,927	$ –	$99,923	$ –	$5,900
Redeemable units	39,461,669	–	59,437,426	–	62,548,629	–
	$39,461,669	$143,927	$59,437,426	$99,923	$62,548,629	$5,900

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Fund	100.0	98.6	90.0

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$39,461,593	$ –	$ –	$39,461,593

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$56,093,089	$ –	$ –	$56,093,089

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$74,615,255	$ –	$ –	$74,615,255

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Corporate Bond Capital Yield Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$49,368,544	$58,841,772	$58,715,319
Cash	–	595,635	3,729,623
Accrued investment income	2	19	998
Receivable for securities sold	954,000	–	–
Subscriptions receivable	–	–	112,692
	50,322,546	59,437,426	62,558,632
LIABILITIES			
Current liabilities			
Bank indebtedness	946,150	–	–
Redemptions payable	–	–	10,003
Accrued expenses	7,181	–	–
	953,331	–	10,003
Net Assets attributable to holders of redeemable shares	$49,369,215	$59,437,426	$62,548,629
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series M Shares	$49,369,215	$59,437,426	$62,548,629
SHARES OUTSTANDING			
Series M Shares	4,628,501	5,781,957	6,111,711
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series M Shares	$ 10.67	$ 10.28	$ 10.23

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 163	$ 57,813
Net realized gain (loss) on non-derivative financial assets	415,675	21,095
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,650,597	(674,873)
Net gain (loss) on investments	2,066,435	(595,965)
Total income (loss)	2,066,435	(595,965)
EXPENSES		
Management fees (note 5)	18,408	43,254
Administration fees (note 6)	21,038	36,294
Harmonized Sales Tax/Goods and Services Tax	4,544	9,900
Independent Review Committee fees	79	155
Overdraft charges	2,862	289
Total expenses	46,931	89,892
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$2,019,504	$ (685,857)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M Shares	$2,019,504	$ (685,857)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series M Shares	$ 0.40	$ (0.08)
WEIGHTED AVERAGE NUMBER OF SHARES		
Series M Shares	5,037,363	8,984,036

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series M Shares	$ 59,437,426	$62,548,629
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M Shares	2,019,504	(685,857)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M Shares	–	(281,309)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series M Shares	4,362	39,259,405
Reinvested distributions		
Series M Shares	–	281,309
Payments on redemption		
Series M Shares	(12,092,077)	(5,462,018)
	(12,087,715)	34,078,696
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M Shares	(10,068,211)	33,111,530
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series M Shares	$ 49,369,215	$95,660,159

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 2,019,504	$ (685,857)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(415,675)	(21,095)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(1,650,597)	674,873
Purchases of non-derivative financial assets	(3,000)	(44,371,741)
Proceeds from sale of non-derivative financial assets	10,588,500	6,720,973
Accrued investment income	17	998
Accrued expenses	7,181	12,807
Net cash provided by (used in) operating activities	10,545,930	(37,669,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	4,362	39,372,097
Amounts paid on redemption of redeemable shares	(12,092,077)	(5,422,021)
Net cash provided by (used in) financing activities	(12,087,715)	33,950,076
Net increase (decrease) in cash	(1,541,785)	(3,718,966)
Cash at beginning of period	595,635	3,729,623
CASH (BANK INDEBTEDNESS) AT END OF PERIOD	$ (946,150)	$ 10,657
Interest received(1)	180	58,810

(1) Classified as operating items.

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

Scotia Canadian Corporate Bond Capital Yield Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 100.0%			
4,614,141	Scotia Canadian Corporate Bond LP Series I	46,777,821	49,368,544
	TOTAL INVESTMENT PORTFOLIO	46,777,821	49,368,544
	OTHER ASSETS, LESS LIABILITIES – 0.0%		671
	NET ASSETS – 100.0%		49,369,215

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

Scotia Canadian Corporate Bond Capital Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide a high level of income and modest capital gains by primarily providing exposure to bonds issued by Canadian corporations.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

The Fund invests in units of the Scotia Canadian Corporate Bond LP Series I, which indirectly invests in units of the Scotia Private Canadian Corporate Bond Pool Series I (the "Reference Fund") through the use of forward contracts. As a result, the Fund is indirectly exposed to the financial instrument risks of the Reference Fund.

i) Interest rate risk

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

Interest Rate Exposure*	June 30, 2014	December 31, 2013	January 1, 2013
Less than 1 year	$ –	$ –	$ –
1-3 years	486,674,043	290,453,681	179,157,020
3-5 years	988,918,264	965,326,645	1,077,775,804
5-10 years	2,165,910,011	1,950,004,406	1,664,501,353
> 10 years	21,254,940	45,960,952	–
Total	$3,662,757,258	$3,251,745,684	$2,921,434,177

* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $584,383 or approximately 1.2% of total net assets attributable to holders of redeemable units (December 31, 2013 – $717,342 or approximately 1.2% net assets attributable to holders of redeemable units, January 1, 2013 – $718,842 or approximately 1.2% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Credit risk

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

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	14.0	13.8	13.0	12.9	10.9	10.8
AA	25.5	25.2	25.2	24.9	26.5	26.1
A	38.4	38.2	40.5	40.0	47.6	47.1
BBB	21.4	21.2	20.5	20.3	15.0	14.8
BB	0.7	0.7	0.8	0.8	–	–
Total	100.0	99.1	100.0	98.9	100.0	98.8

The Fund is indirectly exposed to credit risk associated with TD Global Finance (the Counterparty) through forward contracts held by the underlying fund. The Counterparty has a credit rating of AA- by Standard and Poor's.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$953,331	$ –	$ –	$ –	$10,003
Redeemable units	49,369,215	–	59,437,426	–	62,548,629	–
	$49,369,215	$953,331	$59,437,426	$ –	$62,548,629	$10,003

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Fund	100.0	99.0	93.9

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$49,368,544	$ –	$ –	$49,368,544

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$58,841,772	$ –	$ –	$58,841,772

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$58,715,319	$ –	$ –	$58,715,319

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Fixed Income Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$2,489,534	$2,949,687	$1,042,613
Cash	6,045	12,746	218,865
Accrued investment income	3	10	140
Receivable for securities sold	–	150,000	–
Subscriptions receivable	–	–	40,250
	2,495,582	3,112,443	1,301,868
LIABILITIES			
Current liabilities			
Redemptions payable	–	135,873	–
Accrued expenses	3,209	–	–
	3,209	135,873	–
Net Assets attributable to holders of redeemable shares	$2,492,373	$2,976,570	$1,301,868
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$2,492,373	$2,976,570	$1,301,868
SHARES OUTSTANDING			
Series A Shares	244,204	302,512	130,216
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 10.21	$ 9.84	$ 10.00

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$2,976,570	$1,301,868
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	101,630	(92,496)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(5,855)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	–	4,012,809
Reinvested distributions		
Series A Shares	–	5,838
Payments on redemption		
Series A Shares	(585,827)	(511,898)
	(585,827)	3,506,749
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	(484,197)	3,408,398
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$2,492,373	$4,710,266

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 647	$ 622
Interest for distribution purposes	10,418	26,638
Net realized gain (loss) on non-derivative financial assets	8,504	(4,270)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	101,919	(85,297)
Net gain (loss) on investments	121,488	(62,307)
Other income	–	128
Total income (loss)	121,488	(62,179)
EXPENSES		
Management fees (note 5)	16,309	25,118
Administration fees (note 6)	1,303	2,009
Harmonized Sales Tax/Goods and Services Tax	1,983	3,168
Independent Review Committee fees	4	7
Overdraft charges	259	15
Total expenses	19,858	30,317
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$101,630	$ (92,496)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$101,630	$ (92,496)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.39	$ (0.23)
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	260,335	410,565

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 101,630	$ (92,496)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(8,504)	4,270
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(101,919)	85,297
Purchases of non-derivative financial assets	(37,028)	(4,474,991)
Proceeds from sale of non-derivative financial assets	757,604	726,999
Accrued investment income	7	127
Accrued expenses	3,209	5,631
Net cash provided by (used in) operating activities	714,999	(3,745,163)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	–	4,053,059
Amounts paid on redemption of redeemable shares	(721,700)	(511,898)
Distributions to shareholders of redeemable shares	–	(17)
Net cash provided by (used in) financing activities	(721,700)	3,541,144
Net increase (decrease) in cash	(6,701)	(204,019)
Cash at beginning of period	12,746	218,865
CASH AT END OF PERIOD	$ 6,045	$ 14,846
Interest received(1)	10,425	26,765
Dividends received, net of withholding taxes(1)	647	622

(1) Classified as operating items.

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

Scotia Fixed Income Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 99.9%			
35,019	Scotia Canadian Corporate Bond LP Series I	358,197	374,686
117,975	Scotia Canadian Income LP Series I	1,200,454	1,246,336
36,368	Scotia Conservative Government Bond LP Series I	365,994	375,456
26,471	Scotia Private American Core-Plus Bond Pool Series I	249,550	250,702
25,002	Scotia Private High Yield Income Pool Series I	238,204	242,354
	TOTAL INVESTMENT PORTFOLIO	2,412,399	2,489,534
	OTHER ASSETS, LESS LIABILITIES – 0.1%		2,839
	NET ASSETS – 100.0%		2,492,373

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

Scotia Fixed Income Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide income and modest capital gains by investing primarily in fixed income securities. The Fund will obtain such exposure in one or more of the following ways, in any combination:

- by investing directly in such fixed income securities;
- by investing in units of mutual funds managed by us and/or other mutual fund managers that invest in fixed income securities; and
- by investing in units of an LP Fund which makes use of forward contracts, or other derivatives to gain exposure to the return of an

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $35,059 or approximately 1.4% of total net assets attributable to holders of redeemable units (December 31, 2013 – $42,895 or approximately 1.4% net assets attributable to holders of redeemable units, January 1, 2013 – $16,847 or approximately 1.3% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,209	$ –	$135,873	$ –	$ –
Redeemable units	2,492,373	–	2,976,570	–	1,301,868	–
	$2,492,373	$3,209	$2,976,570	$135,873	$1,301,868	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	99.9	99.1	80.1

Scotia Fixed Income Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,489,534	$ –	$ –	$2,489,534

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,949,687	$ –	$ –	$2,949,687

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,042,613	$ –	$ –	$1,042,613

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Dividend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$111,585,896	$79,276,004	$26,731,162
Cash	114,848	735,238	419,042
Accrued investment income	207	194	139
Subscriptions receivable	316,237	533,734	142,255
	112,017,188	80,545,170	27,292,598
LIABILITIES			
Current liabilities			
Payable for securities purchased	258,800	–	537,000
Distributions payable	–	38,751	3,315
Redemptions payable	67,194	14,000	23,397
Accrued expenses	104,559	–	–
	430,553	52,751	563,712
Net Assets attributable to holders of redeemable shares	$111,586,635	$80,492,419	$26,728,886
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$ 66,970,764	$46,843,274	$15,409,522
Series M Shares	$ 44,615,871	$33,649,145	$11,319,364
SHARES OUTSTANDING			
Series A Shares	5,066,945	3,855,157	1,462,770
Series M Shares	3,329,322	2,752,947	1,084,818
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 13.22	$ 12.15	$ 10.53
Series M Shares	$ 13.40	$ 12.22	$ 10.43

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$1,505,075	$ 663,662
Interest for distribution purposes	1,480	1,347
Net realized gain (loss) on non-derivative financial assets	344,919	50,638
Change in unrealized appreciation (depreciation) of non-derivative financial assets	7,307,801	967,603
Net gain (loss) on investments	9,159,275	1,683,250
Other income	151	251
Total income (loss)	9,159,426	1,683,501
EXPENSES		
Management fees (note 5)	432,773	178,872
Administration fees (note 6)	43,398	18,438
Harmonized Sales Tax/Goods and Services Tax	48,679	21,566
Independent Review Committee fees	140	68
Overdraft charges	459	97
Total expenses	525,449	219,041
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$8,633,977	$1,464,460
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$4,855,677	$ 733,961
Series M Shares	$3,778,300	$ 730,499
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 1.10	$ 0.35
Series M Shares	$ 1.20	$ 0.43
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	4,411,386	2,074,784
Series M Shares	3,147,743	1,686,786

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$ 46,843,274	$15,409,522
Series M Shares	33,649,145	11,319,364
	80,492,419	26,728,886
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	4,855,677	733,961
Series M Shares	3,778,300	730,499
	8,633,977	1,464,460
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(69,305)
Series M Shares	–	(50,910)
	–	(120,215)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	19,806,213	14,635,341
Series M Shares	12,091,578	12,795,237
Reinvested distributions		
Series A Shares	–	68,778
Series M Shares	–	50,910
Payments on redemption		
Series A Shares	(4,534,400)	(1,143,698)
Series M Shares	(4,903,152)	(1,827,078)
	22,460,239	24,579,490
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	20,127,490	14,225,077
Series M Shares	10,966,726	11,698,658
	31,094,216	25,923,735
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	66,970,764	29,634,599
Series M Shares	44,615,871	23,018,022
	$111,586,635	$52,652,621

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 8,633,978	$ 1,464,460
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(344,919)	(50,638)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(7,307,801)	(967,603)
Purchases of non-derivative financial assets	(27,216,973)	(25,956,401)
Proceeds from sale of non-derivative financial assets	2,818,600	1,102,100
Accrued investment income	(13)	(17)
Accrued expenses	104,559	19,076
Net cash provided by (used in) operating activities	(23,312,569)	(24,389,023)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	32,115,288	27,069,630
Amounts paid on redemption of redeemable shares	(9,384,358)	(2,880,858)
Distributions to shareholders of redeemable shares	(38,751)	(527)
Net cash provided by (used in) financing activities	22,692,179	24,188,245
Net increase (decrease) in cash	(620,390)	(200,778)
Cash at beginning of period	735,238	419,042
CASH AT END OF PERIOD	$ 114,848	$ 218,264
Interest received(1)	1,467	1,330
Dividends received, net of withholding taxes(1)	1,505,075	663,662

(1) Classified as operating items.

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

Scotia Canadian Dividend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUND – 100.0%			
2,217,032	Scotia Canadian Dividend Fund Series I	95,444,270	111,585,896
	TOTAL INVESTMENT PORTFOLIO	95,444,270	111,585,896
	OTHER ASSETS, LESS LIABILITIES – 0.0%		739
	NET ASSETS – 100.0%		111,586,635

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

Scotia Canadian Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's objective is to achieve a high level of dividend income with some potential for long-term total investment return, consisting of dividend income and long term capital growth. It invests primarily in dividend-paying common shares and preferred shares of Canadian companies.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant indirect exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the underlying fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014		December 31, 2013		January 1, 2013	
Currency	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)
U.S. Dollar	7,029,958	6.3	16,178,976	20.1	3,448,026	12.9

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 98.5%, January 1, 2013 – 100.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $11,158,590 (December 31, 2013 – $7,927,600, January 1, 2013 – $2,673,116). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$430,553	$ –	$52,751	$ –	$563,712
Redeemable units	111,586,635	–	80,492,419	–	26,728,886	–
	$111,586,635	$430,553	$80,492,419	$52,751	$26,728,886	$563,712

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Canadian Equities			
Energy	20.9	19.8	23.7
Materials	3.3	2.2	2.0
Industrials	2.7	3.1	2.9
Consumer Discretionary	3.1	1.8	1.7
Consumer Staples	4.3	4.0	1.4
Financials	27.8	26.6	24.5
Telecommunication	6.2	6.9	5.8
Utilities	2.4	1.4	1.7
United States Equities			
Energy	–	–	0.9
Materials	1.5	2.1	–
Industrials	4.0	4.5	–
Consumer Discretionary	7.1	6.5	9.5
Consumer Staples	–	–	1.5
Health Care	0.6	1.5	1.5
Financials	2.8	3.9	2.9
Information Technology	1.8	2.1	2.7
Telecommunication	1.7	1.9	1.8
Utilities	1.5	4.1	7.1
Currency Forward Contracts	0.3	(0.1)	(0.1)

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$111,585,896	$ –	$ –	$111,585,896

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 79,276,004	$ –	$ –	$ 79,276,004

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 26,731,162	$ –	$ –	$ 26,731,162

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Canadian Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,186,101	$665,689	$162,982
Cash	13,713	16,472	28,051
Accrued investment income	20	7	109
Subscriptions receivable	10,598	10,398	10,420
	1,210,432	692,566	201,562
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	10,313	–
Accrued expenses	2,174	–	–
	2,174	10,313	–
Net Assets attributable to holders of redeemable shares	$1,208,258	$682,253	$201,562
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$1,208,258	$682,253	$201,562
SHARES OUTSTANDING			
Series A Shares	90,308	56,165	20,120
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 13.38	$ 12.15	$ 10.02

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 2,140	$ –
Interest for distribution purposes	8,514	4,053
Net realized gain (loss) on non-derivative financial assets	31,392	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	57,699	27,536
Net gain (loss) on investments	99,745	31,589
Total income (loss)	99,745	31,589
EXPENSES		
Management fees (note 5)	8,376	3,369
Administration fees (note 6)	679	269
Harmonized Sales Tax/Goods and Services Tax	1,069	443
Independent Review Committee fees	2	–
Overdraft charges	7	–
Total expenses	10,133	4,081
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$89,612	$27,508
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$89,612	$27,508
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 1.25	$ 0.80
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	71,725	34,562

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$ 682,253	$201,562
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	89,612	27,508
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(907)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	698,467	219,757
Reinvested distributions		
Series A Shares	–	907
Payments on redemption		
Series A Shares	(262,074)	–
	436,393	220,664
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	526,005	247,265
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$1,208,258	$448,827

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 89,612	$ 27,508
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(31,392)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(57,699)	(27,536)
Purchases of non-derivative financial assets	(676,173)	(253,348)
Proceeds from sale of non-derivative financial assets	234,539	–
Accrued investment income	(13)	105
Accrued expenses	2,174	766
Net cash provided by (used in) operating activities	(438,952)	(252,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	698,267	230,077
Amounts paid on redemption of redeemable shares	(262,074)	–
Net cash provided by (used in) financing activities	436,193	230,077
Net increase (decrease) in cash	(2,759)	(22,428)
Cash at beginning of period	16,472	28,051
CASH AT END OF PERIOD	$ 13,713	$ 5,623
Interest received(1)	8,501	4,158
Dividends received, net of withholding taxes(1)	2,140	–

(1) Classified as operating items.

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

Scotia Canadian Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 98.2%			
18,877	CI Cambridge Canadian Equity Corporate Class I	308,333	356,404
24,882	Dynamic Dividend Advantage Fund Series O	205,688	237,378
14,465	Dynamic Small Business Fund Series O	212,864	236,505
6,700	Scotia Canadian Blue Chip Fund Series I	210,596	237,563
3,128	Scotia Private Canadian Small Cap Pool Series I	100,112	118,251
	TOTAL INVESTMENT PORTFOLIO	1,037,593	1,186,101
	OTHER ASSETS, LESS LIABILITIES – 1.8%		22,157
	NET ASSETS – 100.0%		1,208,258

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

Scotia Canadian Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in Canadian equity securities, and/or directly in Canadian equity securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.2% (December 31, 2013 – 97.6%, January 1, 2013 – 80.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $118,610 (December 31, 2013 – $66,569, January 1, 2013 – $16,298). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$2,174	$ –	$10,313	$ –	$ –
Redeemable units	1,208,258	–	682,253	–	201,562	–
	$1,208,258	$2,174	$682,253	$10,313	$201,562	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equity Funds	98.2	97.6	80.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,186,101	$ –	$ –	$1,186,101

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 665,689	$ –	$ –	$ 665,689

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 162,982	$ –	$ –	$ 162,982

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private Canadian Equity Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$3,200,893	$4,560,187	$2,354,260
Cash	1,290	50,756	100,141
Accrued investment income	2	3	4
Subscriptions receivable	–	–	45,027
	3,202,185	4,610,946	2,499,432
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	144,500
Accrued expenses	581	–	–
	581	–	144,500
Net Assets attributable to holders of redeemable shares	$3,201,604	$4,610,946	$2,354,932
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series M Shares	$3,201,604	$4,610,946	$2,354,932
SHARES OUTSTANDING			
Series M Shares	241,468	387,002	219,181
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series M Shares	$ 13.26	$ 11.91	$ 10.74

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series M Shares	$ 4,610,946	$2,354,932
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M Shares	436,115	(106,753)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M Shares	–	(10,591)
REDEEMABLE CAPTIAL SHARE TRANSACTIONS		
Proceeds from issue		
Series M Shares	555,805	3,288,151
Reinvested distributions		
Series M Shares	–	10,591
Payments on redemption		
Series M Shares	(2,401,262)	(533,714)
	(1,845,457)	2,765,028
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M Shares	(1,409,342)	2,647,684
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series M Shares	$ 3,201,604	$5,002,616

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ –	$ 100
Net realized gain (loss) on non-derivative financial assets	294,058	3,271
Change in unrealized appreciation (depreciation) of non-derivative financial assets	146,648	(106,123)
Net gain (loss) on investments	440,706	(102,752)
Total income (loss)	440,706	(102,752)
EXPENSES		
Management fees (note 5)	1,987	1,965
Administration fees (note 6)	1,987	1,587
Harmonized Sales Tax/Goods and Services Tax	363	393
Independent Review Committee fees	6	6
Overdraft charges	248	50
Total expenses	4,591	4,001
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$436,115	$(106,753)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M Shares	$436,115	$(106,753)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series M Shares	$ 1.36	$ (0.36)
WEIGHTED AVERAGE NUMBER OF SHARES		
Series M Shares	321,779	298,641

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 436,115	$ (106,753)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(294,058)	(3,271)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(146,648)	106,123
Purchases of non-derivative financial assets	(602,000)	(3,430,409)
Proceeds from sale of non-derivative financial assets	2,402,000	535,000
Accrued investment income	1	3
Accrued expenses	581	892
Net cash provided by (used in) operating activities	1,795,991	(2,898,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	555,805	3,333,178
Amounts paid on redemption of redeemable shares	(2,401,262)	(533,714)
Net cash provided by (used in) financing activities	(1,845,457)	2,799,464
Net increase (decrease) in cash	(49,466)	(98,951)
Cash at beginning of period	50,756	100,141
CASH AT END OF PERIOD	$ 1,290	$ 1,190
Interest received(1)	–	103

(1) Classified as operating items.

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

Scotia Private Canadian Equity Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUND – 100.0%			
233,915	Scotia Private Canadian Equity Pool Series I	2,678,479	3,200,893
	TOTAL INVESTMENT PORTFOLIO	2,678,479	3,200,893
	OTHER ASSETS, LESS LIABILITIES – 0.0%		711
	NET ASSETS – 100.0%		3,201,604

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

Scotia Private Canadian Equity Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 98.9%, January 1, 2013 – 100.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $320,089 (December 31, 2013 – $456,019, January 1, 2013 – $235,426). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

ii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$581	$ –	$ –	$ –	$144,500
Redeemable units	3,201,604	–	4,610,946	–	2,354,932	–
	$3,201,604	$581	$4,610,946	$ –	$2,354,932	$144,500

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

iii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	June 30, 2014	December 31, 2013	January 1, 2013
Energy	23.2	21.8	22.7
Materials	10.3	7.8	15.9
Industrials	6.7	7.8	5.6
Consumer Discretionary	9.1	8.7	9.0
Consumer Staples	4.5	4.6	4.8
Health Care	3.2	4.0	1.1
Financials	31.8	32.3	29.7
Information Technology	1.2	0.9	1.4
Telecommunication Services	5.5	6.4	6.3
Utilities	0.3	0.3	1.0
Exchange-Traded Funds	0.0	–	–

Scotia Private Canadian Equity Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$3,200,893	$ –	$ –	$3,200,893

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$4,560,187	$ –	$ –	$4,560,187

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$2,354,260	$ –	$ –	$2,354,260

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private U.S. Dividend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$29,372,294	$28,694,740	$5,358,748
Cash	11,077	134,069	146,749
Accrued investment income	22	32	24
Receivable for securities sold	1,000	–	–
Subscriptions receivable	–	46,165	5,642
	29,384,393	28,875,006	5,511,163
LIABILITIES			
Current liabilities			
Payable for securities purchased	5,000	–	151,700
Accrued expenses	6,960	–	–
	11,960	–	151,700
Net Assets attributable to holders of redeemable shares	$29,372,433	$28,875,006	$5,359,463
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series M Shares	$29,372,433	$28,875,006	$5,359,463
SHARE OUTSTANDING			
Series M Shares	1,951,162	1,980,269	508,727
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series M Shares	$ 15.05	$ 14.58	$ 10.54

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 316,316	$ 89,917
Interest for distribution purposes	162	258
Net realized gain (loss) on non-derivative financial assets	509,845	48,400
Change in unrealized appreciation (depreciation) of non-derivative financial assets	105,393	1,348,806
Net gain (loss) on investments	931,716	1,487,381
Total income (loss)	931,716	1,487,381
EXPENSES		
Management fees (note 5)	14,318	5,443
Administration fees (note 6)	21,477	6,711
Harmonized Sales Tax/Goods and Services Tax	3,712	1,642
Independent Review Committee fees	43	15
Overdraft charges	441	57
Total expenses	39,991	13,868
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 891,725	$1,473,513
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M Shares	$ 891,725	$1,473,513
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series M Shares	$ 0.46	$ 1.91
WEIGHTED AVERAGE NUMBER OF SHARES		
Series M Shares	1,938,968	771,652

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series M Shares	$28,875,006	$ 5,359,463
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M Shares	891,725	1,473,513
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M Shares	–	(24,104)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series M Shares	3,762,316	6,716,057
Reinvested distributions		
Series M Shares	–	24,104
Payments on redemption		
Series M Shares	(4,156,614)	(736,094)
	(394,298)	6,004,067
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M Shares	497,427	7,453,476
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series M Shares	$29,372,433	$12,812,939

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 891,725	$ 1,473,513
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(509,845)	(48,400)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(105,393)	(1,348,806)
Purchases of non-derivative financial assets	(3,366,316)	(6,353,087)
Proceeds from sale of non-derivative financial assets	3,308,000	546,500
Accrued investment income	10	(14)
Accrued expenses	6,960	2,635
Net cash provided by (used in) operating activities	225,141	(5,727,659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	3,808,481	6,566,345
Amounts paid on redemption of redeemable shares	(4,156,614)	(736,094)
Net cash provided by (used in) financing activities	(348,133)	5,830,251
Net increase (decrease) in cash	(122,992)	102,592
Cash at beginning of period	134,069	146,749
CASH AT END OF PERIOD	$ 11,077	$ 249,341
Interest received(1)	172	244
Dividends received, net of withholding taxes(1)	316,316	89,917

(1) Classified as operating items.

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

Scotia Private U.S. Dividend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.0%			
2,030,858	Scotia Private U.S. Dividend Pool Series I	24,979,898	29,372,294
	TOTAL INVESTMENT PORTFOLIO	24,979,898	29,372,294
	OTHER ASSETS, LESS LIABILITIES – 0.0%		139
	NET ASSETS – 100.0%		29,372,433

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

Scotia Private U.S. Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's objective is to achieve a high level of total investment return, including dividend income and long term capital growth. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments

i) Currency risk

The table below indicates the currency to which the Fund had significant indirect exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the underlying fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014		December 31, 2013		January 1, 2013	
Currency	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)
U.S. Dollar	29,313,688	99.8	20,694,564	71.7	4,782,792	89.2

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 99.4%, January 1, 2013 – 100.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $2,937,229 (December 31, 2013 – $2,869,474, January 1, 2013 – $535,875). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$11,960	$ –	$ –	$ –	$151,700
Redeemable units	29,372,433	–	28,875,006	–	5,359,463	–
	$29,372,433	$11,960	$28,875,006	$ –	$5,359,463	$151,700

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Private U.S. Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
United States Equities			
Energy	11.6	9.5	5.4
Materials	4.7	3.2	5.3
Industrials	11.6	11.0	14.2
Consumer Discretionary	12.2	14.4	15.2
Consumer Staples	6.9	8.1	12.7
Health Care	16.2	16.3	15.2
Financials	16.4	16.5	13.7
Information Technology	14.3	14.1	9.4
Telecommunication Services	0.8	1.8	1.5
Utilities	–	–	0.8
Currency Spot Contracts	0.0	–	–
Currency Forward Contracts	–	–	(0.1)

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$29,372,294	$ –	$ –	$29,372,294

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$28,694,740	$ –	$ –	$28,694,740

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 5,358,748	$ –	$ –	$ 5,358,748

Transfers Between Levels (note 3)

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Private U.S. Equity Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$6,711,643	$9,796,287	$7,264,920
Cash	1,801	–	125,495
Accrued investment income	5	12	47
Receivable for securities sold	–	20,000	–
Subscriptions receivable	–	–	25,780
	6,713,449	9,816,299	7,416,242
LIABILITIES			
Current liabilities			
Bank indebtedness	–	4,126	–
Payable for securities purchased	–	–	150,500
Accrued expenses	1,598	–	–
	1,598	4,126	150,500
Net Assets attributable to holders of redeemable shares	$6,711,851	$9,812,173	$7,265,742
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series M Shares	$6,711,851	$9,812,173	$7,265,742
SHARES OUTSTANDING			
Series M Shares	475,144	726,182	724,086
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series M Shares	$ 14.13	$ 13.51	$ 10.03

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 22	$ 378
Net realized gain (loss) on non-derivative financial assets	931,082	139,783
Change in unrealized appreciation (depreciation) of non-derivative financial assets	(563,864)	1,654,218
Net gain (loss) on investments	367,240	1,794,379
Total income (loss)	367,240	1,794,379
EXPENSES		
Management fees (note 5)	4,174	10,286
Administration fees (note 6)	6,262	12,290
Harmonized Sales Tax/Goods and Services Tax	1,128	3,039
Independent Review Committee fees	13	28
Overdraft charges	574	253
Total expenses	12,151	25,896
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 355,089	$1,768,483
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M Shares	$ 355,089	$1,768,483
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series M Shares	$ 0.59	$ 1.14
WEIGHTED AVERAGE NUMBER OF SHARES		
Series M Shares	600,882	1,548,122

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series M Shares	$ 9,812,173	$ 7,265,742
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M Shares	355,089	1,768,483
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M Shares	–	(32,677)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series M Shares	592,244	10,067,079
Reinvested distributions		
Series M Shares	–	32,677
Payments on redemption		
Series M Shares	(4,047,655)	(2,235,886)
	(3,455,411)	7,863,870
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M Shares	(3,100,322)	9,599,676
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series M Shares	$ 6,711,851	$16,865,418

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 355,089	$ 355,089
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(931,082)	(139,783)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	563,864	(1,654,218)
Purchases of non-derivative financial assets	(662,001)	(10,657,868)
Proceeds from sale of non-derivative financial assets	4,133,863	2,726,280
Accrued investment income	7	46
Accrued expenses	1,598	3,681
Net cash provided by (used in) operating activities	3,461,338	(9,366,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	592,244	10,067,079
Amounts paid on redemption of redeemable shares	(4,047,655)	(2,235,886)
Net cash provided by (used in) financing activities	(3,455,411)	7,831,193
Net increase (decrease) in cash	5,927	(122,186)
Cash (bank indebtedness) at beginning of period	(4,126)	125,495
CASH AT END OF PERIOD	$ 1,801	$ 3,309
Interest received(1)	29	424

(1) Classified as operating items.

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

Scotia Private U.S. Equity Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.0%			
587,571	Scotia Private U.S. Equity Pool Series I	5,098,375	6,711,643
	TOTAL INVESTMENT PORTFOLIO	5,098,375	6,711,643
	OTHER ASSETS, LESS LIABILITIES – 0.0%		208
	NET ASSETS – 100.0%		6,711,851

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

Scotia Private U.S. Equity Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U. S. stock exchanges.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The table below indicates the currency to which the Fund had significant indirect exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the underlying fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014		December 31, 2013		January 1, 2013	
Currency	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)
U.S. Dollar	6,691,715	99.7	9,756,915	99.4	2,048,615	28.2

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 99.8%, January 1, 2013 – 100.0%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $671,164 (December 31, 2013 – $979,629, January 1, 2013 – $726,492). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,598	$ –	$4,126	$ –	$150,500
Unrealized loss on currency forward contracts	–	–	–	–	–	–
Redeemable units	6,711,851	–	9,812,173	–	7,265,742	–
	$6,711,851	$1,598	$9,812,173	$4,126	$7,265,742	$150,500

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

Scotia Private U.S. Equity Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	**June 30, 2014**	**December 31, 2013**	**January 1, 2013**
Energy	17.1	6.1	9.5
Materials	6.1	4.9	–
Industrials	15.5	19.1	11.6
Consumer Discretionary	8.0	8.4	15.4
Consumer Staples	2.9	3.7	11.4
Health Care	13.8	13.4	6.8
Financials	10.1	21.4	17.3
Information Technology	24.3	20.6	22.5

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$6,711,643	$ –	$ –	$6,711,643

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$9,796,287	$ –	$ –	$9,796,287

January 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds	$7,264,920	$ –	$ –	$7,264,920

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia U.S. Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$1,484,838	$1,027,662	$168,175
Cash	19,704	19,395	1,848
Accrued investment income	11	13	103
Receivable for securities sold	90,000	–	–
Subscriptions receivable	10,400	10,166	–
	1,604,953	1,057,236	170,126
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	3,050	–
Redemptions payable	105,281	–	–
Accrued expenses	3,327	–	–
	108,608	3,050	–
Net Assets attributable to holders of redeemable shares	$1,496,345	$1,054,186	$170,126
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$1,496,345	$1,054,186	$170,126
SHARES OUTSTANDING			
Series A Shares	104,806	76,453	17,046
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 14.28	$ 13.79	$ 9.98

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 121	$ 60
Net realized gain (loss) on non-derivative financial assets	57,042	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	6,627	62,030
Net gain (loss) on investments	63,790	62,090
Other income	11	–
Total income (loss)	63,801	62,090
EXPENSES		
Management fees (note 5)	14,910	4,320
Administration fees (note 6)	1,528	443
Harmonized Sales Tax/Goods and Services Tax	1,766	588
Independent Review Committee fees	2	–
Overdraft charges	19	–
Total expenses	18,225	5,351
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 45,576	$56,739
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$ 45,576	$56,739
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.42	$ 1.38
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	108,793	41,011

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$1,054,186	$170,126
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	45,576	56,739
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(765)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	917,127	409,684
Reinvested distributions		
Series A Shares	–	765
Payments on redemption		
Series A Shares	(520,544)	(1,110)
	396,583	409,339
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	442,159	465,313
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$1,496,345	$635,439

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 45,576	$ 56,739
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(57,042)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(6,627)	(62,030)
Purchases of non-derivative financial assets	(780,306)	(398,743)
Proceeds from sale of non-derivative financial assets	293,749	–
Accrued investment income	2	96
Accrued expenses	3,327	1,117
Net cash provided by (used in) operating activities	(501,321)	(402,821)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	916,893	409,684
Amounts paid on redemption of redeemable shares	(415,263)	(1,110)
Net cash provided by (used in) financing activities	501,630	408,574
Net increase (decrease) in cash	309	5,753
Cash at beginning of period	19,395	1,848
CASH AT END OF PERIOD	$ 19,704	$ 7,601
Interest received(1)	123	156

(1) Classified as operating items.

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

Scotia U.S. Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 99.2%			
13,283	CI American Small Companies Fund Class I	247,325	297,682
9,315	Dynamic Power American Growth Fund Series O	126,312	149,126
37,258	Scotia Private U.S. Large Cap Growth Pool Series I	385,604	445,431
27,337	Scotia Private U.S. Value Pool Series I	388,420	444,529
12,230	Scotia U.S. Opportunities Fund Series I	126,677	148,070
	TOTAL INVESTMENT PORTFOLIO	1,274,338	1,484,838
	OTHER ASSETS, LESS LIABILITIES – 0.8%		11,507
	NET ASSETS – 100.0%		1,496,345

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

Scotia U.S. Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in U.S. equity securities, and/or directly in U.S. equity securities.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.2% (December 31, 2013 – 97.5%, January 1, 2013 – 98.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $148,484 (December 31, 2013 – $102,766, January 1, 2013 – $16,818). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$108,608	$ –	$3,050	$ –	$ –
Redeemable units	1,496,345	–	1,054,186	–	170,126	–
	$1,496,345	$108,608	$1,054,186	$3,050	$170,126	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Foreign Equity Funds	99.2	97.5	98.9

Scotia U.S. Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,484,838	$ –	$ –	$1,484,838

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$1,027,662	$ –	$ –	$1,027,662

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 168,175	$ –	$ –	$ 168,175

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia Global Dividend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$14,228,929	$9,643,238	$1,574,029
Cash	–	106,994	3,110
Accrued investment income	43	47	22
Receivable for securities sold	55,000	–	–
Subscriptions receivable	31,500	204,275	4,175
	14,315,472	9,954,554	1,581,336
LIABILITIES			
Current liabilities			
Bank indebtedness	49	–	–
Payable for securities purchased	13,000	–	5,700
Distributions payable	–	134	–
Redemptions payable	42,781	–	–
Accrued expenses	30,348	–	–
	86,178	134	5,700
Net Assets attributable to holders of redeemable shares	$14,229,294	$9,954,420	$1,575,636
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$14,229,294	$9,954,420	$1,575,636
SHARES OUTSTANDING			
Series A Shares	964,168	721,444	142,971
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 14.76	$ 13.80	$ 11.02

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	$ 294	$ 161
Net realized gain (loss) on non-derivative financial assets	81,156	14,378
Change in unrealized appreciation (depreciation) of non-derivative financial assets	866,535	229,873
Net gain (loss) on investments	947,985	244,412
Total income (loss)	947,985	244,412
EXPENSES		
Management fees (note 5)	121,939	28,496
Administration fees (note 6)	18,290	4,274
Harmonized Sales Tax/Goods and Services Tax	13,925	3,446
Independent Review Committee fees	18	5
Overdraft charges	115	–
Total expenses	154,287	36,221
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	$793,698	$208,191
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$793,698	$208,191
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.93	$ 0.86
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	853,759	241,234

* The increase (decrease) in net assets attributable to holders of redeemable units per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Shares	$ 9,954,420	$1,575,636
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A Shares	793,698	208,191
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(7,086)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	4,658,067	2,741,231
Reinvested distributions		
Series A Shares	–	7,086
Payments on redemption		
Series A Shares	(1,176,891)	(227,706)
	3,481,176	2,520,611
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	4,274,874	2,721,716
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$14,229,294	$4,297,352

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 793,698	$ 208,191
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(81,156)	(14,378)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(866,535)	(229,873)
Purchases of non-derivative financial assets	(4,328,000)	(2,593,877)
Proceeds from sale of non-derivative financial assets	648,000	201,000
Accrued investment income	4	(13)
Accrued expenses	30,348	8,053
Net cash provided by (used in) operating activities	(3,803,641)	(2,420,897)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	4,830,842	2,730,206
Amounts paid on redemption of redeemable shares	(1,134,110)	(227,706)
Distributions to shareholders of redeemable shares	(134)	–
Net cash provided by (used in) financing activities	3,696,598	2,502,500
Net increase (decrease) in cash	(107,043)	81,603
Cash at beginning of period	106,994	3,110
CASH (BANK INDEBTEDNESS) AT END OF PERIOD	$ (49)	$ 84,713
Interest received(1)	298	148

(1) Classified as operating items.

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

Scotia Global Dividend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.0%			
934,650	Scotia Global Dividend Fund Series I	12,586,769	14,228,929
	TOTAL INVESTMENT PORTFOLIO	12,586,769	14,228,929
	OTHER ASSETS, LESS LIABILITIES – 0.0%		365
	NET ASSETS – 100.0%		14,229,294

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

Scotia Global Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in the Scotia Global Dividend Fund Series I, which is exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $178,103 or approximately 1.3% of total net assets attributable to holders of redeemable units (December 31, 2013 – $140,290 or approximately 1.4% net assets attributable to holders of redeemable units, January 1, 2013 – $14,147 or approximately 0.9% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currency to which the Fund had significant indirect exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the underlying fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014		December 31, 2013		January 1, 2013	
Currency	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)	Net Indirect Proportional Currency Exposure ($)	Indirect Proportional Percentage of Net Assets (%)
U.S. Dollar	7,470,379	52.5	4,798,030	48.2	294,644	18.7
British Pound	1,010,280	7.1	696,809	7.0	34,664	2.2
Swiss Franc	996,051	7	507,675	5.1	92,963	5.9
European Euro	412,650	2.9	437,994	4.4	64,601	4.1
Australian Dollar	99,605	0.7	179,180	1.8	11,029	0.7
Swedish Krona	156,522	1.1	149,316	1.5	20,483	1.3
Japanese Yen	170,752	1.2	139,362	1.4	42,542	2.7
Thai Baht	156,522	1.1	139,362	1.4	31,513	2.0
Singapore Dollar	156,522	1.1	109,499	1.1	–	–
Hong Kong Dollar	512,255	3.6	79,635	0.8	6,303	0.4
Indonesian Rupiah	85,376	0.6	69,681	0.7	–	–
Brazilian Real	71,146	0.5	39,818	0.4	20,483	1.3
South African Rand	14,229	0.1	19,909	0.2	–	–
Danish Krone	–	–	–	–	15,756	1.0
Total	11,312,289	79.5	7,366,270	74.0	634,981	40.3

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 100.0% (December 31, 2013 – 96.9%, January 1, 2013 – 99.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

would have decreased or increased, respectively, by approximately $1,422,893 (December 31, 2013 – $964,324, January 1, 2013 – $ 157,403). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

	June 30, 2014		December 31, 2013		January 1, 2013	
	Percentage of Total Preferred Shares and Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Preferred Shares and Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)	Percentage of Total Preferred Shares and Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AA	33.1	0.3	32.4	0.4	64.4	1.3
BB	66.9	0.7	67.6	0.8	35.6	0.7
Total	100.0	1.0	100.0	1.2	100.0	2.0

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$86,178	$ –	$134	$ –	$5,700
Redeemable units	14,229,294	–	9,954,420	–	1,575,636	–
	$14,229,294	$86,178	$9,954,420	$134	$1,575,636	$5,700

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
Investment Category	June 30, 2014	December 31, 2013	January 1, 2013
Equities			
Australia	1.3	1.8	4.0
Brazil	0.5	0.5	1.3
Canada	2.0	2.1	4.9
Chile	–	–	–
China	0.4	0.4	–
Denmark	–	–	1.0
France	6.7	6.2	1.6
Germany	3.6	4.8	2.4
Hong Kong	3.1	0.4	0.5
Indonesia	0.6	0.7	1.0
Ireland	0.2		
Italy	1.1	1.0	0.5
Japan	1.2	1.4	2.7
Netherlands	2.9	3.3	3.8
Peru	0.5	0.6	0.5
Portugal	0.8		
Puerto Rico	–	–	0.6
Russia	0.5	0.6	0.5
Singapore	1.1	1.1	–
South Africa	0.1	0.2	–
Sweden	1.1	1.5	1.2
Switzerland	11.8	9.9	9.1
Thailand	1.1	1.4	2.0
Turkey	0.6	0.5	–
United Kingdom	7.8	9.2	10.5
United States	47.1	42.9	44.3
Bond and debenture instruments	0.7	0.8	0.7
Currency spot contracts	0.0	0.0	0.0
Currency forward contracts	0.6	(0.7)	(0.9)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$14,228,929	$ –	$ –	$14,228,929

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 9,643,238	$ –	$ –	$ 9,643,238

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,574,029	$ –	$ –	$ 1,574,029

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia International Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$618,954	$538,880	$149,194
Cash	7,600	5,990	1,679
Accrued investment income	9	8	98
Receivable for securities sold	–	115,000	–
Subscriptions receivable	500	250	23,003
	627,063	660,128	173,974
LIABILITIES			
Current liabilities			
Redemptions payable	–	114,194	–
Accrued expenses	1,347	–	–
	1,347	114,194	–
Net Assets attributable to holders of redeemable shares	$625,716	$545,934	$173,974
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$625,716	$545,934	$173,974
SHARES OUTSTANDING			
Series A Shares	50,394	44,333	17,286
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 12.42	$ 12.31	$ 10.06

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 116	$ –
Interest for distribution purposes	36	33
Net realized gain (loss) on non-derivative financial assets	4,277	2,336
Change in unrealized appreciation (depreciation) of non-derivative financial assets	5,652	9,236
Net gain (loss) on investments	10,081	11,605
Total income (loss)	10,081	11,605
EXPENSES		
Management fees (note 5)	5,885	2,696
Administration fees (note 6)	883	404
Harmonized Sales Tax/Goods and Services Tax	692	389
Overdraft charges	14	15
Total expenses	7,474	3,504
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 2,607	$ 8,101
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$ 2,607	$ 8,101
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.05	$ 0.31
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	47,772	26,087

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$545,934	$173,974
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	2,607	8,101
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	126,412	254,726
Reinvested distributions		
Series A Shares	–	679
Payments on redemption		
Series A Shares	(49,237)	–
	77,175	255,405
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	79,782	263,506
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$625,716	$437,480

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 2,607	$ 8,101
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(4,277)	(2,336)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(5,652)	(9,236)
Purchases of non-derivative financial assets	(105,115)	(332,317)
Proceeds from sale of non-derivative financial assets	149,970	60,084
Accrued investment income	(1)	94
Accrued expenses	1,347	817
Net cash provided by (used in) operating activities	38,879	(274,793)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	126,162	278,408
Amounts paid on redemption of redeemable shares	(163,431)	–
Net cash provided by (used in) financing activities	(37,269)	278,408
Net increase (decrease) in cash	1,610	3,615
Cash at beginning of period	5,990	1,679
CASH AT END OF PERIOD	$ 7,600	$ 5,294
Interest received(1)	35	127
Dividends received, net of withholding taxes(1)	116	–

(1) Classified as operating items.

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

Scotia International Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 98.9%			
3,112	CI Black Creek International Equity Corp Class I	46,715	60,994
4,020	CI International Value Fund Class I	53,917	62,435
6,433	Scotia Private Emerging Markets Pool Series I	57,831	61,874
31,302	Scotia Private International Equity Pool Series I	336,035	371,821
2,694	Scotia Private International Small to Mid Cap Value Pool Series I	47,334	61,830
	TOTAL INVESTMENT PORTFOLIO	541,832	618,954
	OTHER ASSETS, LESS LIABILITIES – 1.1%		6,762
	NET ASSETS – 100.0%		625,716

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

Scotia International Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to provide long-term capital growth. It invests primarily in a diversified mix of mutual funds managed by us and/or other mutual fund managers that invest in companies located outside of the U.S. and Canada, and/or directly inequity securities of companies that are located outside of the U.S. and Canada.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.9% (December 31, 2013 – 98.7%, January 1, 2013 – 85.8%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $61,895 (December 31, 2013 – $53,888, January 1, 2013 – $14,919). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,347	$ –	$114,194	$ –	$ –
Redeemable units	625,716	–	545,934	–	173,974	–
	$625,716	$1,347	$545,934	$114,194	$173,974	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Foreign Equity Funds	98.9	98.7	85.8

Scotia International Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$618,954	$ –	$ –	$618,954

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$538,880	$ –	$ –	$538,880

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$149,194	$ –	$ –	$149,194

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Income Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$259,769,396	$283,214,325	$239,306,502
Unrealized gain on currency forward contracts	–	55,646	–
Cash	529,833	1,536,985	8,711,573
Accrued investment income	293	152,412	111,725
Receivable for securities sold	572,500	–	–
Subscriptions receivable	–	–	2,151,114
Margin deposited on futures	–	95,694	93,686
	260,872,022	285,055,062	250,374,600
LIABILITIES			
Current liabilities			
Payable for securities purchased	–	–	1,350,026
Distributions payable	–	14,418	3,872
Redemptions payable	259,141	375,761	40,400
Accrued expenses	418,227	–	–
	677,368	390,179	1,394,298
Net Assets attributable to holders of redeemable shares	$260,194,654	$284,664,883	$248,980,302
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$260,194,654	$284,664,883	$248,980,302
SHARES OUTSTANDING			
Series A Shares	23,474,109	26,829,581	24,210,137
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 11.08	$ 10.61	$ 10.28

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 373,157	$ 516,746
Interest for distribution purposes	572,528	1,341,274
Other changes in fair value of investments and derivatives:		
Net realized gain (loss) on non-derivative financial assets	13,386,010	433,585
Net realized gain (loss) on futures contracts	(112,126)	(12,711)
Net realized gain (loss) on currency forwards	17,235	84,828
Net gain (loss) foreign exchange	263	6,524
Change in unrealized appreciation (depreciation) of non-derivative financial assets	269,575	577,790
Change in unrealized appreciation (depreciation) of currency forwards	(55,646)	39,109
Change in unrealized appreciation (depreciation) of currency futures	3,228	(73,279)
Net gain (loss) on investments	14,454,224	2,913,866
Securities lending	77	–
Other income	–	8,630
Total income (loss)	14,454,301	2,922,496
EXPENSES		
Management fees (note 5)	2,145,668	2,858,044
Administration fees (note 6)	134,100	178,617
Harmonized Sales Tax/Goods and Services Tax	239,147	336,705
Independent Review Committee fees	400	610
Overdraft charges	3,447	952
Foreign withholding taxes/tax reclaims	730	6,953
Transaction costs	65	4,051
Total expenses	2,523,557	3,385,932
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$11,930,744	$ (463,436)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$11,930,744	$ (463,436)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.48	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	24,829,527	34,973,632

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

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

Scotia INNOVA Income Portfolio Class (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$284,664,883	$248,980,302
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	11,930,744	(463,436)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE UNITS		
From realized gain		
Series A Shares	–	(1,119,783)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	10,040	173,124,329
Reinvested distributions		
Series A Shares	–	1,108,666
Payments on redemption		
Series A Shares	(36,411,013)	(51,267,085)
	(36,400,973)	122,965,910
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	(24,470,229)	121,382,691
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	$260,194,654	$370,362,993

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 11,930,744	$ (463,436)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(13,386,010)	(433,585)
Net realized gain (loss) foreign exchange on cash	(263)	(6,524)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(269,575)	(577,790)
Change in unrealized appreciation (depreciation) of forward currency contracts	55,646	(39,109)
Change in unrealized appreciation (depreciation) of currency futures contracts	–	73,279
Purchases of non-derivative financial assets	(161,238,044)	(221,641,183)
Proceeds from sale of non-derivative financial assets	197,766,058	89,239,335
Accrued investment income	152,119	(85,565)
Accrued expenses	418,227	557,134
Change in margin accounts for futures contracts	95,694	86,660
Net cash provided by (used in) operating activities	35,524,596	(133,364,063)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	10,040	175,275,443
Amounts paid on redemption of redeemable shares	(36,527,633)	(50,536,331)
Distributions to shareholders of redeemable shares	(14,418)	(14,989)
Net cash provided by (used in) financing activities	(36,532,011)	124,724,123
Net gain (loss) foreign exchange on cash	263	6,524
Net increase (decrease) in cash	(1,007,415)	(8,539,940)
Cash at beginning of period	1,536,985	8,711,573
CASH AT END OF PERIOD	$ 529,833	$ 178,157
Interest received(1)	724,387	1,255,709
Dividends received, net of withholding taxes(1)	372,427	509,793

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 50.9%			
2,742,035	Scotia Canadian Corporate Bond LP Series I	27,813,195	29,338,129
3,790,559	Scotia Conservative Government Bond LP Series I	38,124,253	39,132,978
3,102,309	Scotia Floating Rate Income Fund Series I	31,177,747	31,146,248
826,121	Scotia Private American Core-Plus Bond Pool Series I	7,886,651	7,823,940
882,500	Scotia Private Canadian Corporate Bond Pool Series I	9,536,254	9,510,259
1,513,919	Scotia Total Return Bond LP Series I	15,139,188	15,615,467
		129,677,288	132,567,021
CANADIAN EQUITY FUNDS – 24.1%			
2,225,343	1832 AM Canadian Preferred Share LP Series I	23,333,831	23,432,636
505,255	Scotia Canadian Dividend Fund Series I	20,753,598	25,430,103
574,834	Scotia Private Canadian Equity Pool Series I	6,561,113	7,866,035
154,819	Scotia Private Canadian Small Cap Pool Series I	4,911,374	5,853,668
		55,559,916	62,582,442
FOREIGN EQUITY FUNDS – 24.8%			
607,849	1832 AM Global Completion LP Series I	6,398,465	6,493,108
1,826,392	Scotia Global Low Volatility Equity LP Series I	19,247,616	19,448,517
535,663	Scotia Private International Equity Pool Series I	5,131,360	6,362,928
965,584	Scotia U.S. Dividend Growers LP Series I	9,655,837	9,658,443
2,134,990	Scotia U.S. Low Volatility Equity LP Series I	21,969,897	22,656,937
		62,403,175	64,619,933
	TOTAL INVESTMENT PORTFOLIO	247,640,379	259,769,396
	OTHER ASSETS, LESS LIABILITIES – 0.2%		425,258
	NET ASSETS – 100.0%		260,194,654

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

Scotia INNOVA Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of income and long term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

There were no material adjustments to net assets as of June 30, 2013 and comprehensive income for the period from January 1 to December 31, 2013, and therefore a reconciliation has not been provided.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $1,703,261 or approximately 0.7% of total net assets attributable to holders of redeemable units (December 31, 2013 – $3,056,066 or approximately 1.1% net assets attributable to holders of redeemable units, January 1, 2013 – $2,652,036 or approximately 1.1% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 48.9% (December 31, 2013 – 26.0%, January 1, 2013 – 26.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $12,720,238 (December 31, 2013 – $7,403,274, January 1, 2013 – $6,550,542). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$677,368	$ –	$390,179	$ –	$1,394,298
Redeemable units	260,194,654	–	284,664,883	–	248,980,302	–
	$260,194,654	$677,368	$284,664,883	$390,179	$248,980,302	$1,394,298

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Bond and Debenture Instruments	–	6.7	6.7
Exchange-Traded Fund	–	0.5	–
Fixed Income Funds	50.9	66.7	63.0
Canadian Equity Funds	24.1	12.2	12.6
Foreign Equity Fund	24.8	13.3	13.8
Currency Forward Contracts	–	0.0	–
Futures Contracts	–	0.0	0.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$259,769,396	$ –	$ –	$259,769,396

December 31, 2013	Level 1	Level 2	Level 3	Total
Exchange-Traded Fund	$ 1,369,197	$ –	$ –	$ 1,369,197
Mutual Funds	262,635,428	–	–	262,635,428
Bond and Debenture Instruments	–	19,209,700	–	19,209,700
Currency Forward Contracts – Assets	–	55,646	–	55,646
Futures Contracts (Long)	(7,904)	–	–	(7,904)
	$263,996,721	$19,265,346	$ –	$283,262,067

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$222,579,970	$ –	$ –	$222,579,970
Bond and Debenture Instruments	–	16,726,535	–	16,726,535
Futures Contracts (Long)	(5,616)	–	–	(5,616)
	$222,574,354	$16,726,535	$ –	$239,300,889

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Balanced Income Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$629,579,818	$404,875,366	$85,170,174
Cash	11,057,611	6,712,858	4,051,490
Accrued investment income	8,109	5,153	2,442
Subscriptions receivable	4,695,261	897,715	637,161
	645,340,799	412,491,092	89,861,267
LIABILITIES			
Current liabilities			
Payable for securities purchased	4,000,000	–	825,056
Distributions payable	25,970	11,791	1,159
Redemptions payable	310,417	36,800	15,000
Accrued expenses	1,036,957	–	–
	5,373,344	48,591	841,215
Net Assets attributable to holders of redeemable shares	$639,967,455	$412,442,501	$89,020,052
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$625,387,026	$412,442,501	$89,020,052
Series T Shares	$ 14,580,429	$ –	$ –
SHARES OUTSTANDING			
Series A Shares	54,181,990	37,472,042	8,595,088
Series T Shares	972,193	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 11.54	$ 11.01	$ 10.36
Series T Shares	$ 15.00	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 939,322	$ 297,075
Interest for distribution purposes	3,334,300	856,387
Net realized gain (loss) on non-derivative financial assets	13,157,098	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	11,726,017	(643,086)
Net gain (loss) on investments	29,156,737	510,376
Other income	5,602	12,719
Total income (loss)	29,162,339	523,095
EXPENSES		
Management fees (note 5)	4,395,430	1,403,677
Administration fees (note 6)	258,547	84,224
Harmonized Sales Tax/Goods and Services Tax	478,819	163,446
Independent Review Committee fees	765	277
Total expenses	5,133,561	1,651,624
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$24,028,778	$ (1,128,529)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$24,010,750	$ (1,128,529)
Series T Shares**	$ 18,028	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.52	$ (0.07)
Series T Shares**	$ 0.03	$ –
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	46,001,243	16,000,951
Series T Shares**	579,142	–

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

** Start date May 26, 2014.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$412,442,501	$ 89,020,052
Series T Shares**	–	–
	412,442,501	89,020,052
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	24,010,750	(1,128,529)
Series T Shares**	18,028	–
	24,028,778	(1,128,529)
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series T Shares**	(62,263)	–
From realized gain		
Series A Shares	–	(400,672)
	(62,263)	(400,672)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	234,677,233	178,251,006
Series T Shares**	14,598,232	–
Reinvested distributions		
Series A Shares	–	398,886
Series T Shares**	27,732	–
Payments on redemption		
Series A Shares	(45,743,458)	(9,407,593)
Series T Shares**	(1,300)	–
	203,558,439	169,242,299
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	212,944,525	167,713,098
Series T Shares**	14,580,429	–
	227,524,954	167,713,098
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	625,387,026	256,733,150
Series T Shares**	14,580,429	–
	$639,967,455	$256,733,150

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 24,028,778	$ (1,128,529)
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(13,157,098)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(11,726,017)	643,086
Purchases of non-derivative financial assets	(489,316,130)	(166,030,864)
Proceeds from sale of non-derivative financial assets	293,494,793	–
Accrued investment income	(2,956)	(1,103)
Accrued expenses	1,036,957	373,864
Net cash provided by (used in) operating activities	(195,641,673)	(166,143,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	245,477,919	178,010,086
Amounts paid on redemption of redeemable shares	(45,471,141)	(9,188,469)
Distributions to shareholders of redeemable shares	(20,352)	(2,945)
Net cash provided by (used in) financing activities	199,986,426	168,818,672
Net increase (decrease) in cash	4,344,753	2,675,126
Cash at beginning of period	6,712,858	4,051,490
CASH AT END OF PERIOD	$ 11,057,611	$ 6,726,616
Interest received(1)	3,331,344	855,284
Dividends received, net of withholding taxes(1)	939,322	297,075

(1) Classified as operating items.

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

Scotia INNOVA Balanced Income Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 39.0%			
1,605,437	Scotia Canadian Corporate Bond LP Series I	16,425,028	17,177,214
2,108,364	Scotia Conservative Government Bond LP Series I	21,205,842	21,766,330
4,643,837	Scotia Floating Rate Income Fund Series I	46,670,156	46,622,730
3,293,545	Scotia Private American Core-Plus Bond Pool Series I	30,884,441	31,192,177
4,211,160	Scotia Private Canadian Corporate Bond Pool Series I	45,405,066	45,381,569
1,601,768	Scotia Private High Yield Income Pool Series I	15,317,760	15,526,413
2,385,537	Scotia Private Short-Mid Government Bond Pool Series I	25,157,624	25,123,519
4,523,690	Scotia Total Return Bond LP Series I	46,367,354	46,660,056
		247,433,271	249,450,008
CANADIAN EQUITY FUNDS – 29.8%			
5,913,985	1832 AM Canadian Preferred Share LP Series I	61,995,729	62,273,674
1,401,245	Scotia Canadian Dividend Fund Series I	61,799,267	70,526,350
2,825,941	Scotia Private Canadian Equity Pool Series I	33,588,468	38,670,178
509,728	Scotia Private Canadian Small Cap Pool Series I	15,959,523	19,272,719
		173,342,987	190,742,921
FOREIGN EQUITY FUNDS – 29.6%			
901,190	1832 AM Global Completion LP Series I	9,503,860	9,626,602
3,577,591	Scotia Global Low Volatility Equity LP Series I	37,747,443	38,096,334
1,033,571	Scotia Private Global Equity Pool Series I	16,259,701	19,161,072
573,898	Scotia Private Global Real Estate Pool Series I	8,554,702	9,579,740
2,402,085	Scotia Private International Equity Pool Series I	26,104,056	28,533,403
2,872,429	Scotia U.S. Dividend Growers LP Series I	28,738,688	28,732,048
5,244,689	Scotia U.S. Low Volatility Equity LP Series I	54,050,375	55,657,690
		180,958,825	189,386,889
	TOTAL INVESTMENT PORTFOLIO	601,735,083	629,579,818
	OTHER ASSETS, LESS LIABILITIES – 1.6%		10,387,637
	NET ASSETS – 100.0%		639,967,455

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

Scotia INNOVA Balanced Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $2,804,922 or approximately 0.4% of total net assets attributable to holders of redeemable units (December 31, 2013 – $3,575,760 or approximately 0.9% net assets attributable to holders of redeemable units, January 1, 2013 – $767,680 or approximately 0.9% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 59.4% (December 31, 2013 – 40.4%, January 1, 2013 – 41.4%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $38,012,981 (December 31, 2013 – $16,662,795, January 1, 2013 – $3,679,635). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$5,373,344	$ –	$48,591	$ –	$841,215
Redeemable units	639,967,455	–	412,442,501	–	89,020,052	–
	$639,967,455	$5,373,344	$412,442,501	$48,591	$89,020,052	$841,215

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	39.0	57.8	54.3
Canadian Equity Funds	29.8	18.1	18.4
Foreign Equity Funds	29.6	22.3	23.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$629,579,818	$ –	$ –	$629,579,818

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$404,875,366	$ –	$ –	$404,875,366

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 85,170,174	$ –	$ –	$ 85,170,174

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$444,908,450	$266,765,501	$39,109,217
Cash	7,566,321	6,498,644	828,337
Accrued investment income	5,703	3,687	780
Subscriptions receivable	4,088,491	1,054,992	521,238
	456,568,965	274,322,824	40,459,572
LIABILITIES			
Current liabilities			
Payable for securities purchased	2,000,000	–	409,998
Distributions payable	28,534	8,885	–
Redemptions payable	403,360	224,185	5,500
Accrued expenses	768,661	–	–
	3,200,555	233,070	415,498
Net Assets attributable to holders of redeemable shares	$453,368,410	$274,089,754	$40,044,074
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$442,772,469	$274,089,754	$40,044,074
Series T Shares	$ 10,595,941	$ –	$ –
SHARES OUTSTANDING			
Series A Shares	36,195,432	23,588,288	3,815,735
Series T Shares	704,647	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 12.23	$ 11.62	$ 10.49
Series T Shares	$ 15.04	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 1,018,217	$ 245,516
Interest for distribution purposes	1,756,060	277,012
Net realized gain (loss) on non-derivative financial assets	8,562,238	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	10,805,525	1,130,686
Net gain (loss) on investments	22,142,040	1,653,214
Other income	3,336	3,478
Total income (loss)	22,145,376	1,656,692
EXPENSES		
Management fees (note 5)	3,243,495	697,674
Administration fees (note 6)	180,186	38,757
Harmonized Sales Tax/Goods and Services Tax	331,030	72,176
Independent Review Committee fees	533	130
Total expenses	3,755,244	808,737
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$18,390,132	$ 847,955
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$18,363,479	$ 847,955
Series T Shares**	$ 26,653	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.60	$ 0.12
Series T Shares**	$ 0.08	$ –
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	30,359,786	7,330,510
Series T Shares**	348,245	–

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

** Start date May 26, 2014.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$274,089,754	$ 40,044,074
Series T Shares**	–	–
	274,089,754	40,044,074
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	18,363,479	847,955
Series T Shares**	26,653	–
	18,390,132	847,955
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A Shares	–	(180,096)
Series T Shares**	(53,237)	–
	(53,237)	(180,096)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	181,853,360	84,788,540
Series T Shares**	10,606,680	–
Reinvested distributions		
Series A Shares	6	179,542
Series T Shares**	17,416	–
Payments on redemption		
Series A Shares	(31,534,130)	(4,433,415)
Series T Shares**	(1,571)	–
	160,941,761	80,534,667
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	168,682,715	81,202,526
Series T Shares**	10,595,941	–
	179,278,656	81,202,526
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	442,772,469	121,246,600
Series T Shares**	10,595,941	–
	$453,368,410	$121,246,600

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 18,390,132	$ 847,955
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(8,562,238)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(10,805,525)	(1,130,686)
Purchases of non-derivative financial assets	(338,453,546)	(76,001,025)
Proceeds from sale of non-derivative financial assets	181,678,360	–
Accrued investment income	(2,016)	(979)
Accrued expenses	768,661	172,808
Net cash provided by (used in) operating activities	(156,986,172)	(76,111,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	189,426,541	84,010,434
Amounts paid on redemption of redeemable shares	(31,356,526)	(4,433,415)
Distributions to shareholders of redeemable shares	(16,166)	(554)
Net cash provided by (used in) financing activities	158,053,849	79,576,465
Net increase (decrease) in cash	1,067,677	3,464,538
Cash at beginning of period	6,498,644	828,337
CASH AT END OF PERIOD	$ 7,566,321	$ 4,292,875
Interest received(1)	1,754,044	276,033
Dividends received, net of withholding taxes(1)	1,018,217	245,516

(1) Classified as operating items.

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

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 23.2%			
147,414	Scotia Canadian Income Fund Series I	2,015,740	2,019,879
1,691,329	Scotia Canadian Income LP Series I	17,058,982	17,867,876
1,309,913	Scotia Floating Rate Income Fund Series I	13,164,463	13,151,136
2,086,988	Scotia Private American Core-Plus Bond Pool Series I	19,472,433	19,765,233
3,033,835	Scotia Private Canadian Corporate Bond Pool Series I	32,775,125	32,694,123
2,028,232	Scotia Private High Yield Income Pool Series I	19,475,025	19,660,259
		103,961,768	105,158,506
CANADIAN EQUITY FUNDS – 35.7%			
2,504,020	1832 AM Canadian Preferred Share LP Series I	26,239,242	26,367,079
1,209,293	Scotia Canadian Dividend Fund Series I	54,190,654	60,865,167
2,482,146	Scotia Private Canadian Equity Pool Series I	29,822,835	33,965,682
875,238	Scotia Private Canadian Growth Pool Series I	11,739,431	13,614,937
718,946	Scotia Private Canadian Small Cap Pool Series I	22,990,873	27,183,217
		144,983,035	161,996,082
FOREIGN EQUITY FUNDS – 39.2%			
828,114	1832 AM Global Completion LP Series I	8,730,809	8,845,999
2,533,229	Scotia Global Low Volatility Equity LP Series I	26,732,427	26,975,343
963,392	Scotia Private Global Equity Pool Series I	15,507,809	17,860,040
535,333	Scotia Private Global Real Estate Pool Series I	8,043,924	8,935,992
2,265,589	Scotia Private International Equity Pool Series I	25,149,844	26,912,023
386,237	Scotia Private U.S. Mid Cap Growth Pool Series I	8,006,661	9,031,721
3,574,724	Scotia U.S. Dividend Growers LP Series I	35,771,386	35,756,884
4,093,012	Scotia U.S. Low Volatility Equity LP Series I	42,294,162	43,435,860
		170,237,022	177,753,862
	TOTAL INVESTMENT PORTFOLIO	419,181,825	444,908,450
	OTHER ASSETS, LESS LIABILITIES – 1.9%		8,459,960
	NET ASSETS – 100.0%		453,368,410

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

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/ or equity securities and/or fixed income securities located anywhere in the world.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $998,825 or approximately 0.2% of total net assets attributable to holders of redeemable units (December 31, 2013 – $1,481,696 or approximately 0.5% net assets attributable to holders of redeemable units, January 1, 2013 – $217,646 or approximately 0.5% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 74.9% (December 31, 2013 – 63.1%, January 1, 2013 – 61.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $33,974,994 (December 31, 2013 – $17,311,104, January 1, 2013 – $2,445,940). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$3,200,555	$ –	$233,070	$ –	$415,498
Redeemable units	453,368,410	–	274,089,754	–	40,044,074	–
	$453,368,410	$3,200,555	$274,089,754	$233,070	$40,044,074	$415,498

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	23.2	34.2	36.6
Canadian Equity Funds	35.7	30.5	27.4
Foreign Equity Funds	39.2	32.6	33.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$444,908,450	$ –	$ –	$444,908,450

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$266,765,501	$ –	$ –	$266,765,501

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 39,109,217	$ –	$ –	$ 39,109,217

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$177,303,287	$102,297,948	$13,243,821
Cash	3,095,891	3,549,769	280,770
Accrued investment income	2,896	1,976	314
Subscriptions receivable	1,186,347	537,374	282,972
	181,588,421	106,387,067	13,807,877
LIABILITIES			
Current liabilities			
Payable for securities purchased	670,000	450,000	234,999
Distributions payable	3,420	1,493	298
Redemptions payable	77,207	10,500	–
Accrued expenses	324,529	–	–
	1,075,156	461,993	235,297
Net Assets attributable to holders of redeemable shares	$180,513,265	$105,925,074	$13,572,580
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$179,137,024	$105,925,074	$13,572,580
Series T Shares	$ 1,376,241	$ –	$ –
SHARES OUTSTANDING			
Series A Shares	14,059,552	8,773,738	1,288,821
Series T Shares	91,212	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 12.74	$ 12.07	$ 10.53
Series T Shares	$ 15.09	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss on investments (note 2)		
Dividends	$ 355,634	$ 73,640
Interest for distribution purposes	449,775	63,626
Net realized gain (loss) on non-derivative financial assets	3,391,670	–
Change in unrealized appreciation (depreciation) of non-derivative financial assets	5,023,082	847,079
Net gain (loss) on investments	9,220,161	984,345
Other income	–	337
Total income (loss)	9,220,161	984,682
EXPENSES		
Management fees (note 5)	1,348,151	245,756
Administration fees (note 6)	70,952	12,934
Harmonized Sales Tax/Goods and Services Tax	136,928	25,467
Independent Review Committee fees	209	43
Total expenses	1,556,240	284,200
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$ 7,663,921	$ 700,482
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$ 7,661,171	$ 700,482
Series T Shares**	$ 2,750	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.66	$ 0.29
Series T Shares**	$ 0.05	$ –
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	11,522,241	2,417,192
Series T Shares**	58,063	–

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

** Start date May 26, 2014.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – BEGINNING OF PERIOD		
Series A Shares	$105,925,074	$13,572,580
Series T Shares**	–	–
	105,925,074	13,572,580
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	7,661,171	700,482
Series T Shares**	2,750	–
	7,663,921	700,482
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series T Shares**	(5,691)	–
From realized gain		
Series A Shares	–	(61,043)
	(5,691)	(61,043)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	79,501,498	27,798,916
Series T Shares**	1,376,911	–
Reinvested distributions		
Series A Shares	–	60,749
Series T Shares**	2,271	–
Payments on redemption		
Series A Shares	(13,950,719)	(2,271,712)
Series T Shares**	–	–
	66,929,961	(2,210,963)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	73,211,950	26,227,392
Series T Shares**	1,376,241	–
	74,588,191	26,227,392
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	179,137,024	39,799,972
Series T Shares**	1,376,241	–
	$180,513,265	$39,799,972

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 7,663,921	$ 700,482
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(3,391,670)	–
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(5,023,082)	(847,079)
Purchases of non-derivative financial assets	(127,859,203)	(24,347,749)
Proceeds from sale of non-derivative financial assets	61,488,617	–
Accrued investment income	(920)	(659)
Accrued expenses	324,529	60,034
Net cash provided by (used in) operating activities	(66,797,808)	(24,434,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	80,228,851	27,419,588
Amounts paid on redemption of redeemable shares	(13,884,012)	(2,271,712)
Distributions to shareholders of redeemable shares	(909)	(294)
Net cash provided by (used in) financing activities	66,343,930	25,147,582
Net increase (decrease) in cash	(453,878)	712,611
Cash at beginning of period	3,549,769	280,770
CASH AT END OF PERIOD	$ 3,095,891	$ 993,381
Interest received(1)	448,855	62,967
Dividends received, net of withholding taxes(1)	355,634	73,640

(1) Classified as operating items.

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

Scotia INNOVA Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 11.4%			
78,102	Scotia Canadian Income Fund Series I	1,060,232	1,070,166
384,000	Scotia Canadian Income LP Series I	3,892,537	4,056,732
454,618	Scotia Private American Core-Plus Bond Pool Series I	4,231,451	4,305,552
717,404	Scotia Private Canadian Corporate Bond Pool Series I	7,750,763	7,731,102
360,115	Scotia Private High Yield Income Pool Series I	3,449,166	3,490,705
		20,384,149	20,654,257
CANADIAN EQUITY FUNDS – 37.9%			
522,614	1832 AM Canadian Preferred Share LP Series I	5,465,867	5,503,068
435,055	Scotia Canadian Dividend Fund Series I	19,408,680	21,896,828
1,137,245	Scotia Private Canadian Equity Pool Series I	13,749,802	15,562,067
623,012	Scotia Private Canadian Growth Pool Series I	8,337,357	9,691,382
418,023	Scotia Private Canadian Small Cap Pool Series I	13,482,962	15,805,350
		60,444,668	68,458,695
FOREIGN EQUITY FUNDS – 48.9%			
415,575	1832 AM Global Completion LP Series I	4,381,772	4,439,212
818,250	Scotia Global Low Volatility Equity LP Series I	8,631,595	8,713,213
581,880	Scotia Private Emerging Markets Pool Series I	5,261,623	5,596,464
486,000	Scotia Private Global Equity Pool Series I	7,938,247	9,009,810
208,709	Scotia Private Global Real Estate Pool Series I	3,145,684	3,483,859
1,109,100	Scotia Private International Equity Pool Series I	12,403,904	13,174,561
376,050	Scotia Private U.S. Mid Cap Growth Pool Series I	8,166,803	8,793,527
1,727,714	Scotia U.S. Dividend Growers LP Series I	17,287,160	17,281,799
1,667,693	Scotia U.S. Low Volatility Equity LP Series I	17,244,308	17,697,890
		84,461,096	88,190,335
	TOTAL INVESTMENT PORTFOLIO	165,289,913	177,303,287
	OTHER ASSETS, LESS LIABILITIES – 1.8%		3,209,978
	NET ASSETS – 100.0%		180,513,265

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

Scotia INNOVA Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is to achieve a balance of long term capital appreciation and income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $176,786 or approximately 0.1% of total net assets attributable to holders of redeemable units (December 31, 2013 – $344,230 or approximately 0.3% net assets attributable to holders of redeemable units, January 1, 2013 – $41,675 or approximately 0.3% of total net assets attributable to holders of redeemable units). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 86.8% (December 31, 2013 – 75.7%, January 1, 2013 – 75.9%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $15,664,903 (December 31, 2013 – $8,009,567, January 1, 2013 – $1,030,066)). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments and derivatives.

v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$1,075,156	$ –	$461,993	$ –	$235,297
Redeemable units	180,513,265	–	105,925,074	–	13,572,580	–
	$180,513,265	$1,075,156	$105,925,074	$461,993	$13,572,580	$235,297

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Fixed Income Funds	11.4	21.0	21.7
Canadian Equity Funds	37.9	35.5	33.6
Foreign Equity Funds	48.9	40.2	42.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$177,303,287	$ –	$ –	$177,303,287

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$102,297,948	$ –	$ –	$102,297,948

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 13,243,821	$ –	$ –	$ 13,243,821

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

	June 30, 2014	December 31, 2013	January 1, 2013
ASSETS			
Current assets			
Investments			
Non-derivative financial assets	$34,003,833	$19,085,126	$2,852,120
Cash	1,015,811	623,016	24,378
Accrued investment income	608	457	36
Subscriptions receivable	7,722	287,300	922
	35,027,974	19,995,899	2,877,456
LIABILITIES			
Current liabilities			
Payable for securities purchased	250,000	181,800	–
Distributions payable	206	684	–
Redemptions payable	20,000	275,445	–
Accrued expenses	66,940	–	–
	337,146	457,929	–
Net Assets attributable to holders of redeemable shares	$34,690,828	$19,537,970	$2,877,456
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES			
Series A Shares	$34,537,152	$19,537,970	$2,877,456
Series T Shares	$ 153,676	$ –	$ –
SHARES OUTSTANDING			
Series A Shares	2,539,726	1,517,133	270,686
Series T Shares	10,158	–	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE			
Series A Shares	$ 13.60	$ 12.88	$ 10.63
Series T Shares	$ 15.13	$ –	$ –

STATEMENTS OF COMPREHENSIVE INCOME

For the six month periods ended June 30,

	2014	2013
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	$ 66,265	$ 14,629
Interest for distribution purposes	3,305	1,067
Net realized gain (loss) on non-derivative financial assets	916,879	5,735
Change in unrealized appreciation (depreciation) of non-derivative financial assets	852,197	289,467
Net gain (loss) on investments	1,838,646	310,898
Other income	3,112	83
Total income (loss)	1,841,758	310,981
EXPENSES		
Management fees (note 5)	274,577	54,655
Administration fees (note 6)	13,728	2,733
Harmonized Sales Tax/Goods and Services Tax	29,124	7,328
Independent Review Committee fees	41	9
Overdraft charges	32	16
Total expenses	317,502	64,741
Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations	$1,524,256	$246,240
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A Shares	$1,523,965	$246,240
Series T Shares**	$ 291	$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE*		
Series A Shares	$ 0.73	$ 0.49
Series T Shares**	$ 0.04	$ –
WEIGHTED AVERAGE NUMBER OF SHARES		
Series A Shares	2,091,372	499,867
Series T Shares**	7,528	–

* The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average shares per series.

** Start date May 26, 2014.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30,

	2014	2013
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD		
Series A Shares	$19,537,970	$2,877,456
Series T Shares**	–	–
	19,537,970	2,877,456
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A Shares	1,523,965	246,240
Series T Shares**	291	–
	1,524,256	246,240
DISTRIBUTIONS TO SHAREHOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series T Shares**	(633)	–
From realized gain		
Series A Shares	–	(13,255)
	(633)	(13,255)
REDEEMABLE CAPITAL SHARE TRANSACTIONS		
Proceeds from issue		
Series A Shares	17,291,215	6,314,098
Series T Shares**	153,590	–
Reinvested distributions		
Series A Shares	–	13,255
Series T Shares**	428	–
Payments on redemption		
Series A Shares	(3,815,998)	(539,900)
	13,629,235	5,787,453
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A Shares	14,999,182	6,020,438
Series T Shares**	153,676	–
	15,152,858	6,020,438
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES – END OF PERIOD		
Series A Shares	34,537,152	8,897,894
Series T Shares**	153,676	–
	$34,690,828	$8,897,894

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	$ 1,524,256	$ 246,240
Adjustments For:		
Net realized gain (loss) on sale of non-derivative financial assets	(916,879)	(5,735)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(852,197)	(289,467)
Purchases of non-derivative financial assets	(22,592,333)	(5,561,815)
Proceeds from sale of non-derivative financial assets	9,510,902	80,000
Accrued investment income	(151)	(195)
Accrued expenses	66,940	15,224
Net cash provided by (used in) operating activities	(13,259,462)	(5,515,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	17,723,964	6,310,548
Amounts paid on redemption of redeemable shares	(4,071,443)	(539,900)
Distributions to shareholders of redeemable shares	(264)	–
Net cash provided by (used in) financing activities	13,652,257	5,770,648
Net increase (decrease) in cash	392,795	254,900
Cash at beginning of period	623,016	24,378
CASH AT END OF PERIOD	$ 1,015,811	$ 279,278
Interest received(1)	3,154	872
Dividends received, net of withholding taxes(1)	66,265	14,629

(1) Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 39.8%			
95,655	Scotia Canadian Dividend Fund Series I	4,269,139	4,814,421
150,497	Scotia Private Canadian Equity Pool Series I	1,800,578	2,059,407
225,235	Scotia Private Canadian Growth Pool Series I	3,006,179	3,503,685
90,632	Scotia Private Canadian Small Cap Pool Series I	2,887,225	3,426,784
		11,963,121	13,804,297
FOREIGN EQUITY FUNDS – 58.2%			
94,637	1832 AM Global Completion LP Series I	997,222	1,010,922
187,812	Scotia Global Low Volatility Equity LP Series I	1,980,394	1,999,937
194,342	Scotia Private Emerging Markets Pool Series I	1,754,457	1,869,166
108,823	Scotia Private Global Equity Pool Series I	1,767,146	2,017,441
71,027	Scotia Private Global Real Estate Pool Series I	1,072,977	1,185,617
340,763	Scotia Private International Equity Pool Series I	3,796,384	4,047,789
87,558	Scotia Private U.S. Mid Cap Growth Pool Series I	1,890,493	2,047,455
403,396	Scotia U.S. Dividend Growers LP Series I	4,036,190	4,035,048
187,158	Scotia U.S. Low Volatility Equity LP Series I	1,926,994	1,986,161
		19,222,257	20,199,536
	TOTAL INVESTMENT PORTFOLIO	31,185,378	34,003,833
	OTHER ASSETS, LESS LIABILITIES – 2.0%		686,995
	NET ASSETS – 100.0%		34,690,828

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

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

i) The Fund's investment objective is long term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world.

2. Transition to IFRS (note 12)

There were no significant adjustments between IFRS and Canadian GAAP impacting the Fund.

3. Risks Associated with Financial Instruments (note 4)

i) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the underlying funds held financial instruments that were denominated in a currency other than its functional currency.

ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.0% (December 31, 2013 – 97.7%, January 1, 2013 – 99.1%) of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately $3,400,383 (December 31, 2013 – $1,908,513, January 1, 2013 – $285,212). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014		December 31, 2013		January 1, 2013	
	On demand	Less than 3 months	On demand	Less than 3 months	On demand	Less than 3 months
Accounts payable and accrued liabilities	$ –	$337,146	$ –	$457,929	$ –	$ –
Redeemable units	34,690,828	–	19,537,970	–	2,877,456	–
	$34,690,828	$337,146	$19,537,970	$457,929	$2,877,456	$ –

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)		
	June 30, 2014	December 31, 2013	January 1, 2013
Canadian Equity Funds	39.8	44.5	45.3
Foreign Equity Funds	58.2	53.2	53.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

June 30, 2014	Level 1	Level 2	Level 3	Total
Mutual Funds	$34,003,833	$ –	$ –	$34,003,833

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$19,085,126	$ –	$ –	$19,085,126

January 1, 2013	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 2,852,120	$ –	$ –	$ 2,852,120

Transfers Between Levels

During the period ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers between Level 1 and Level 2.

Notes to Financial Statements

For the periods indicated in Note 1.

1. The Funds

The funds presented in these financial statements are either open-ended mutual fund trusts or classes of a mutual fund corporation. The open-ended mutual fund trusts are established under the laws of the Province of Ontario pursuant to an Amended and Restated Master Declaration of Trust ("Declaration of Trust") dated November 24, 2011, as amended from time to time. The address of the Funds' registered office is 1 Adelaide St. E, 28th Floor, Toronto, Ontario.

Scotia Corporate Class Inc. (the "Corporation") is a multi-class open-ended mutual fund corporation formed by articles of incorporation under the laws of Canada on April 17, 2012, as amended from time to time. The purpose of the Corporation is to invest the assets attributable to each of the currently offered Classes in accordance with the investment objective of each Class. Each corporate class fund is a class of shares of the Corporation. The Corporation is authorized to issue a class of special voting shares and 200 Classes of mutual fund shares, although the Corporation may issue more in the future. Each Class is authorized to issue 25 series of shares.

Mutual fund trusts issue units and corporate class funds issue shares. Throughout this document, where applicable, reference to units and unitholders also refers to shares and shareholders and reference to Funds also refers to Portfolios and Classes. We also refer to a Trust Fund and a Corporate Class individually, as a "Fund" and collectively, as the "Funds".

The inception date for each Fund is as follows:

Scotia T-Bill Fund	October 3, 1991
Scotia Premium T-Bill Fund	July 10, 1992
Scotia Money Market Fund	August 30, 1990
Scotia U.S. $ Money Market Fund	September 3, 1996
Scotia Short Term Bond Fund	August 26, 2010
Scotia Private Short-Mid Government Bond Pool	September 30, 2007
Scotia Mortgage Income Fund	September 22, 1992
Scotia Floating Rate Income Fund	January 27, 2014
Scotia Conservative Income Fund	January 27, 2014
Scotia Bond Fund	August 17, 2009
Scotia Canadian Income Fund	November 1, 1957
Scotia Private Canadian Corporate Bond Pool	October 30, 2003
Scotia U.S. $ Bond Fund	November 27, 1991
Scotia Global Bond Fund	July 4, 1994
Scotia Diversified Monthly Income Fund	June 10, 2005
Scotia Income Advantage Fund	July 6, 2011
Scotia Canadian Balanced Fund	May 7, 1990
Scotia Dividend Balanced Fund (formerly, Scotia Canadian Dividend Income Fund)	August 26, 2010
Scotia Balanced Opportunities Fund (formerly, Scotia Canadian Tactical Asset Allocation Fund)	February 20,1961
Scotia Global Balanced Fund	August 26, 2010
Scotia U.S. $ Balanced Fund	July 6, 2011
Scotia Private Canadian Preferred Share Pool	November 25, 2011
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Blue Chip Fund	December 31, 1986
Scotia Private Canadian Equity Pool	June 10, 2005
Scotia Canadian Growth Fund	February 20, 1961
Scotia Canadian Small Cap Fund	October 28, 1992
Scotia Resource Fund	July 6, 1993
Scotia Private Real Estate Income Pool	November 20, 2012
Scotia Private North American Dividend Pool (formerly, Scotia Private North American Equity Pool)	June 10, 2005
Scotia U.S. Dividend Fund	November 20, 2012
Scotia Private U.S. Dividend Pool	November 25, 2011
Scotia Private U.S. Equity Pool	June 10, 2005
Scotia U.S. Blue Chip Fund	December 31, 1986
Scotia U.S. Opportunities Fund	November 30, 2000
Scotia Private International Core Equity Pool	June 10, 2005
Scotia International Value Fund	November 30, 2000
Scotia European Fund	September 3, 1996
Scotia Pacific Rim Fund	August 18, 1994
Scotia Latin American Fund	August 18, 1994
Scotia Global Dividend Fund	August 26, 2010
Scotia Global Growth Fund	February 20, 1961
Scotia Global Small Cap Fund	November 30, 2000
Scotia Global Opportunities Fund	November 30, 2000
Scotia Canadian Bond Index Fund	September 20, 1999
Scotia Canadian Index Fund	December 13, 1996
Scotia U.S. Index Fund	December 13, 1996
Scotia CanAm Index Fund	July 9, 1993
Scotia Nasdaq Index Fund	November 30, 2000
Scotia International Index Fund	September 20, 1999
Scotia Selected Income Portfolio	November 20, 2012
Scotia Selected Balanced Income Portfolio (formerly, Scotia Selected Income & Modest Growth Portfolio)	April 22, 2003
Scotia Selected Balanced Growth Portfolio (formerly, Scotia Selected Balanced Income & Growth Portfolio)	April 22, 2003
Scotia Selected Growth Portfolio (formerly, Scotia Selected Moderate Growth Portfolio)	April 22, 2003
Scotia Selected Maximum Growth Portfolio (formerly, Scotia Selected Aggressive Growth Portfolio)	April 22, 2003
Scotia Partners Income Portfolio (formerly, Scotia Partners Diversified Income Portfolio)	August 26, 2010
Scotia Partners Balanced Income Portfolio (formerly, Scotia Partners Income & Modest Growth Portfolio)	November 29, 2002
Scotia Partners Balanced Growth Portfolio (formerly, Scotia Partners Balanced Income & Growth Portfolio)	November 29, 2002
Scotia Partners Growth Portfolio (formerly, Scotia Partners Moderate Growth Portfolio)	November 29, 2002
Scotia Partners Maximum Growth Portfolio (formerly, Scotia Partners Aggressive Growth Portfolio)	November 29, 2002
Scotia INNOVA Income Portfolio	January 13, 2009
Scotia INNOVA Balanced Income Portfolio	January 13, 2009
Scotia INNOVA Balanced Growth Portfolio	January 13, 2009
Scotia INNOVA Growth Portfolio	January 13, 2009
Scotia INNOVA Maximum Growth Portfolio	January 13, 2009
Scotia Short Term Yield Class	May 18, 2012
Scotia Conservative Government Bond Capital Yield Class	May 18, 2012

Scotia Canadian Corporate Bond Capital Yield Class	May 18, 2012
Scotia Fixed Income Blend Class	November 19, 2012
Scotia Canadian Dividend Class	May 18, 2012
Scotia Canadian Equity Blend Class	November 19, 2012
Scotia Private Canadian Equity Class	May 18, 2012
Scotia Private U.S. Dividend Class	May 18, 2012
Scotia Private U.S. Equity Class	May 18, 2012
Scotia U.S. Equity Blend Class	November 19, 2012
Scotia Global Dividend Class	May 18, 2012
Scotia International Equity Blend Class	November 19, 2012
Scotia INNOVA Income Portfolio Class	May 18, 2012
Scotia INNOVA Balanced Income Portfolio Class	May 18, 2012
Scotia INNOVA Balanced Growth Portfolio Class	May 18, 2012
Scotia INNOVA Growth Portfolio Class	May 18, 2012
Scotia INNOVA Maximum Growth Portfolio Class	May 18, 2012

The investment objectives and strategies for each of the Funds are provided in the respective Fund's "Fund Specific Notes".

The Schedule of Investment Portfolio for each of the Funds is as at June 30, 2014. The Statements of Financial Position are as at June 30, 2014, December 31, 2013 and January, 1, 2013, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the six-month periods ended June 30, 2014 and June 30, 2013 except for Funds started during either period. For Funds started during either period, the information presented is for the period from the Fund's inception date, respectively, to June 30, 2014 and 2013, as applicable. Throughout this document, reference to the reporting period refers to the reporting period described above.

The Manager and trustee (where applicable) of the Funds is 1832 Asset Management L.P. (the "Manager").

The Manager has Guidelines for Business Conduct (the "Code") which applies to all of its employees. The Code is in place to protect the interest of all of the Manager's clients. The Code provides policies governing the conduct of business including conflicts of interest, privacy issues and confidentiality.

These financial statements were approved by the Board of Directors of the Corporation, with respect to the Funds that are corporate class funds, and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as trustee (the "Trustee") of those funds that are trust funds (the "Trust funds") and authorized for issue on August 11, 2014.

Each of the Funds may offer one or more Series of securities: Series A units, Advisor Series units, Premium Series units, Series F units, Series I units, Series M units and Series T units. Each Series of a Fund is authorized to issue an unlimited number of units, which are redeemable at the option of the unitholder at their respective net asset value next determined following receipt of the sell order by the Fund. Each Series of units of a Fund is intended for different investors. A description of each Series of units is provided below:

- Series A units and Series T units are available to all investors. Series T units are for investors who seek stable monthly distributions.
- Advisor Series units are available through authorized dealers and brokers, including ScotiaMcLeod.
- Premium Series units may only be purchased by investors who meet the required minimum investment, as determined by the Manager from time to time.
- Prospective purchasers of Series F units must have a fee-based account with authorized brokers or dealers, including ScotiaMcLeod.
- Series I units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager.
- Series M units may only be purchased by clients of the Manager or Scotiatrust that have entered into a discretionary management agreement.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and IFRS 1, First-time Adoption of International Financial Reporting Standards. The Funds adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Funds prepared their financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Funds have consistently applied the accounting policies used in the preparation of their opening IFRS statements of financial position at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. The "Fund Specific Notes" include disclosures of the impact of the transition to IFRS on the Fund's reported financial position, financial performance, including the nature and effect of significant changes in accounting policies from those used in the Funds' financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of June 30, 2014. Any subsequent changes to IFRS that are given effect

in the Fund's annual financial statements for the year ending December 31, 2014 could result in restatement of these interim financial statements, including the transition adjustments recognized on transition to IFRS.

(a) Financial instrument disclosures

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

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is based on inputs other than unadjusted quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments are disclosed in the respective Fund's "Fund Specific Notes".

The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

(b) Financial instruments

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The Funds' investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL).

The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. These balances are short-term in nature and, therefore, their carrying values approximate fair value.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (NAV) for transactions with unitholders, except where the last traded market price for financial assets and liabilities are not within the bid-ask spread.

The fair value of financial assets and liabilities that are not traded in an active market, including over the-counter derivatives, is determined using valuation techniques. The Funds uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Funds, including level 3 measurements. The Manager obtains pricing from a third party pricing vendor, which is monitored and reviewed by the valuation team daily. At each financial reporting date, the Manager reviews and approves all level 3 fair value measurements. The Funds also have a Valuation Committee which includes the Chief Financial Officer and members of the finance team, as well as members of the portfolio management and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Fund.

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

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

(ii) Fixed income securities, including bonds and mortgage-backed securities, are valued using

models with inputs including interest rate curves, credit spreads and volatilities.

(iii) Short-term debt instruments are carried at amortized cost, which approximates fair value.

(iv) Mortgages held by Scotia Mortgage Income Fund are valued at their fair value using the prevailing rate of return on new mortgages of similar type and term.

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

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

(vii) Unlisted warrants are valued using the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation.

(viii) Futures contracts are valued at their close prices for financial reporting purposes at the close of business on each valuation date of the reporting period. Any difference between the settlement value at the close of business on the current valuation date and that of the previous valuation date is settled into cash daily and recorded in the Statements of Comprehensive Income as "Net realized gain (loss) on futures contracts" or "Index futures contract income". Amounts receivable (payable) on settlement of futures contracts are reflected in the Statements of Financial Position as "Receivable for (Payable for) futures contracts".

(ix) Options are valued at their close price as reported by the principal exchange or over-the-counter market on which the contract is traded. Any difference resulting from revaluation at the reporting date is treated as unrealized appreciation (depreciation) of investments.

Premiums paid for purchased call and put options are included in options purchased in the Statements of Financial Position. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. For the closing transaction of the purchased put options, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased call option is exercised, the cost of security purchased is increased by the premium paid at the time of purchase.

Premiums received from writing options are included as a liability for written options in the Statements of Financial Position. When a written option expires unexercised, premiums received from writing options are recorded as income on the Statements of Comprehensive Income. When a written call option is exercised, the Fund will record a realized loss if the cost of closing the transaction exceeds the premium received; the Fund will record a realized gain if the premium received is greater than the amount paid for closing the transaction. When a written put is exercised, the cost of the security purchased is reduced by the premiums received at the time the option was written.

(x) Swap contracts are valued at the estimated amount that the Fund would receive or pay to terminate the swap, based on the current value of the underlying interest on the valuation date.

Equity Swaps

An equity swap contract is an agreement between two parties to exchange periodic payments based upon a notional principal amount, with one party paying a fixed or floating amount and the other party paying the actual return of a stock, a basket of stocks or a stock index.

A Fund as a buyer of an equity swap would receive the total return of the underlying stocks or stock index. In return, the Fund would be required to pay to the counterparty a fixed or floating amount on the agreed settlement dates.

Any amount received for equity swaps contracts is included in the Statements of Comprehensive Income in "Net realized gain (loss) on swap contracts". The change in value of an equity swap contract is included in the Statements of Financial Position in "Receivable (Payable) for swap contracts" and in the Statements of Comprehensive Income in "Change in unrealized appreciation (depreciation) of swap contracts".

When the equity swaps contracts are closed out, gains or losses are realized and included in the Statements of Comprehensive Income in "Net realized gain (loss) on swap contracts".

Interest Rate Swaps

An interest rate swap contract is an agreement between two parties to exchange periodic interest payments based upon a notional principal amount, with one party paying a fixed interest payment and the other party paying a floating interest rate payment based on LIBOR.

The change in value of interest rate swap contracts is included in the Statements of Financial Position in "Receivable (Payable) for swap contracts" and in the Statements of Comprehensive Income in "Change in unrealized appreciation (depreciation) of swap contracts".

When interest rate swap contracts are closed out, the gains or losses are realized and are included in the Statements of Comprehensive Income in "Net realized gain (loss) on swap contracts".

(xi) A forward equity accumulator contract ("accumulator") is an agreement between two parties (a Fund and the counterparty) that require the counterparty to sell shares of the specified underlying security at a predetermined strike price to the Fund (the buyer). A Fund buys a forward accumulator on the expectation that a certain stock will trade within a specific price range during the term of the contract. This range is bound by the strike price and a maximum price (usually a knock-out that triggers termination if the underlying price goes above this threshold).

The buyer has an obligation to purchase the underlying shares acquired by the counterparty with periodic settlement as specified in the contract. The shares acquired are included in the Statements of Financial Position in "Investments", and the change in value of the accumulator contract is included in the Statements of Financial Position in "Unrealized gain (loss) on accumulator contracts" and in the Statements of Comprehensive Income in "Change in unrealized appreciation (depreciation) of accumulator contracts".

When a forward equity accumulator contract is closed out, gains or losses are realized and included in the Statements of Comprehensive Income in "Net realized gain (loss) on accumulator contracts".

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

(xiii) Gold bullion is carried at FVTPL and based on the price quoted provided by an independent pricing source.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in "Transaction costs" in the Statements of Comprehensive Income. The investment cost of a security represents the amount paid and is determined on an average cost basis excluding transaction costs.

Dividend income and distributions from underlying funds are recognized on the ex-dividend date.

Interest for distribution purposes is recognized on an accrual basis based on the coupon rate. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Distributions received from income trusts are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital by applying previous year characterizations reported by the trust as current year characterizations are not available until the following year.

Realized gain or loss on the sale of short-term debt instruments are recorded as an adjustment to interest income.

Income, realized gain (loss) and unrealized gain (loss) are allocated among the Series on a pro rata basis.

(e) Functional currency and foreign exchange translation

The functional currency of a Fund is generally the Canadian dollar, except for Scotia U.S. $ Money Market Fund, Scotia U.S. $ Bond Fund and Scotia U.S. $ Balanced Fund which are in U.S. dollars.

The reporting and functional currency for the Funds is based on the currency in which subscriptions and redemptions of units are primarily denominated. Any other currency other than functional currency represents foreign currency to the Funds.

Amounts denominated in foreign currencies are converted into the functional currency as follows:

(i) fair value of investments, forward and spot currency contracts and other assets and liabilities

at the rates of exchange prevailing as at the valuation date; and

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

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

(f) Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" is disclosed in the Statements of Comprehensive Income and represents, for each Series of units, the increase or decrease in net assets attributable to holders of redeemable units from operations for the period attributable to each Series divided by the weighted average number of units outstanding for the corresponding Series during the period.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments and derivatives that are not quoted in an active market. The use of valuation techniques for financial instruments and derivatives that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments and derivatives.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, "Financial Instruments: recognition and measurement". The most significant judgments made include the determination that certain financial instruments are held-for-trading and that the fair value option can be applied to those which are not.

4. Discussion of Financial Instrument Risk

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

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Funds are being managed in accordance with the Funds' stated investment objectives, strategies and securities regulations.

Some Funds invest in underlying funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the underlying funds invest in financial instruments that are subject to those risks.

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

(a) Market risk

(i) Interest rate risk

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

(ii) Currency risk

The Funds may invest in monetary assets denominated in currencies other than its functional currency. Currency risk is the risk that the value of foreign investments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency. Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

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

(iii) Other price risk

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

(b) Credit risk

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

The credit ratings reported for counterparties to debt instruments are Standard & Poor's credit rating or Standard & Poor's equivalent for credit ratings from other approved rating agencies. In addition, custody and derivative transactions are carried out by counterparties that have a Standard & Poor's credit rating of A or higher.

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

(c) Liquidity risk

The Fund's exposure to liquidity risk arises primarily from the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the respective Fund's Schedule of Investment Portfolio.

(d) Concentration risk

Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The identification and disclosure of risks concentration is provided in the respective Fund's "Fund Specific Notes".

5. Management Fees and Sales Charges

Each Fund pays the Manager a management fee, which may vary for each series of units of the Fund. The management fees cover the costs of managing the Fund, arranging for investment analysis, recommendations and investment decision making for the Fund, arranging for distribution of the Funds, marketing and promotion of the Funds and providing or arranging for other services. The Funds' management fees are calculated daily and payable monthly on the first business day of the following calendar month. The Manager is entitled to a maximum annual management fee, exclusive of sales taxes, as follows:

	% of Net Asset Value					
	Series A Units	Series F Units	Series M Units	Advisor Series Units	Premium Series Units	Series T Units
Scotia T-Bill Fund	1.00	–	–	–	–	–
Scotia Premium T-Bill Fund	0.50	–	–	–	–	–
Scotia Money Market Fund	1.00	–	0.10	1.00	0.30	–
Scotia U.S. $ Money Market Fund	1.00	–	–	–	–	–
Scotia Short Term Bond Fund	–	–	0.10	–	–	–
Scotia Private Short-Mid Government Bond Pool	–	–	0.10	–	–	–
Scotia Mortgage Income Fund	1.25	0.625	0.07	–	–	–
Scotia Floating Rate Income Fund	–	–	0.07	–	–	–
Scotia Conservative Income Fund	1.10	–	–	–	–	–
Scotia Bond Fund	1.10	–	–	–	–	–
Scotia Canadian Income Fund	1.25	0.625	0.10	1.25	–	–
Scotia Private Canadian Corporate Bond Pool	–	–	0.10	–	–	–
Scotia U.S. $ Bond Fund	1.50	0.75	–	–	–	–
Scotia Global Bond Fund	1.50	0.75	–	–	–	–

	% of Net Asset Value					
	Series A Units	Series F Units	Series M Units	Advisor Series Units	Premium Series Units	Series T Units
Scotia Diversified Monthly Income Fund	1.25	0.625	–	1.50	–	–
Scotia Income Advantage Fund	1.85	–	0.10	–	–	–
Scotia Canadian Balanced Fund	1.75	0.875	–	–	–	–
Scotia Dividend Balanced Fund	1.65	–	–	–	–	–
Scotia Balanced Opportunities Fund	1.75	0.875	–	1.95	–	–
Scotia Global Balanced Fund	2.00	–	–	–	–	–
Scotia U.S. $ Balanced Fund	1.85	–	–	–	–	–
Scotia Private Canadian Preferred Share Pool	–	–	0.30	–	–	–
Scotia Canadian Dividend Fund	1.50	0.75	0.10	1.75	–	–
Scotia Canadian Blue Chip Fund	1.85	0.925	–	–	–	–
Scotia Private Canadian Equity Pool	–	–	0.10	–	–	–
Scotia Canadian Growth Fund	1.85	0.925	–	1.95	–	–
Scotia Canadian Small Cap Fund	2.00	1.00	0.10	–	–	–
Scotia Resource Fund	2.00	1.00	–	–	–	–
Scotia Private Real Estate Income Pool	–	–	0.30	–	–	–
Scotia Private North American Dividend Pool	–	–	0.10	–	–	–
Scotia U.S. Dividend Fund	1.85	–	–	–	–	–
Scotia Private U.S Dividend Pool	–	–	0.30	–	–	–
Scotia Private U.S. Equity Pool	–	–	0.10	–	–	–
Scotia U.S. Blue Chip Fund	2.00	1.00	–	–	–	–
Scotia U.S. Opportunities Fund	2.00	1.00	–	–	–	–
Scotia Private International Core Equity Pool	–	–	0.30	–	–	–
Scotia International Value Fund	2.15	1.15	–	2.15	–	–
Scotia European Fund	2.00	1.00	–	–	–	–
Scotia Pacific Rim Fund	2.00	1.00	–	–	–	–
Scotia Latin American Fund	2.50	1.25	–	–	–	–
Scotia Global Dividend Fund	2.00	–	–	–	–	–
Scotia Global Growth Fund	2.00	1.00	–	2.00	–	–
Scotia Global Small Cap Fund	2.35	1.35	–	–	–	–
Scotia Global Opportunities Fund	2.20	1.20	–	2.20	–	–
Scotia Canadian Bond Index Fund	0.70	0.35	–	–	–	–
Scotia Canadian Index Fund	0.80	0.40	–	–	–	–
Scotia U.S. Index Fund	0.80	0.40	–	–	–	–
Scotia CanAm Index Fund	0.80	0.40	–	–	–	–
Scotia Nasdaq Index Fund	0.80	0.40	–	–	–	–
Scotia International Index Fund	0.80	0.40	–	–	–	–
Scotia Selected Income Portfolio	1.55	–	–	–	–	–
Scotia Selected Balanced Income Portfolio	1.60	0.60	–	1.80	–	–
Scotia Selected Balanced Growth Portfolio	1.75	0.75	–	1.95	–	–
Scotia Selected Growth Portfolio	1.90	0.90	–	2.10	–	–
Scotia Selected Maximum Growth Portfolio	2.10	1.10	–	2.20	–	–
Scotia Partners Income Portfolio	1.80	–	–	–	–	–
Scotia Partners Balanced Income Portfolio	1.85	0.85	–	–	–	–
Scotia Partners Balanced Growth Portfolio	2.00	1.00	–	–	–	–
Scotia Partners Growth Portfolio	2.15	1.15	–	–	–	–
Scotia Partners Maximum Growth Portfolio	2.35	1.35	–	–	–	–
Scotia INNOVA Income Portfolio	1.60	–	–	–	–	1.60
Scotia INNOVA Balanced Income Portfolio	1.70	–	–	–	–	1.70
Scotia INNOVA Balanced Growth Portfolio	1.80	–	–	–	–	1.80
Scotia INNOVA Growth Portfolio	1.90	–	–	–	–	1.90
Scotia INNOVA Maximum Growth Portfolio	2.00	–	–	–	–	2.00
Scotia Short Term Yield Class	–	–	0.50	–	–	–
Scotia Conservative Government Bond Capital Yield Class	1.10	–	0.50	–	–	–
Scotia Canadian Corporate Bond Capital Yield Class	–	–	0.50	–	–	–
Scotia Fixed Income Blend Class	1.25	–	–	–	–	–
Scotia Canadian Dividend Class	1.50	–	0.50	–	–	–
Scotia Canadian Equity Blend Class	1.85	–	–	–	–	–
Scotia Private Canadian Equity Class	–	–	0.50	–	–	–
Scotia Private U.S. Dividend Class	–	–	0.50	–	–	–
Scotia Private U.S. Equity Class	–	–	0.50	–	–	–
Scotia U.S. Equity Blend Class	1.95	–	–	–	–	–
Scotia Global Dividend Class	2.00	–	–	–	–	–
Scotia International Equity Blend Class	2.00	–	–	–	–	–
Scotia INNOVA Income Portfolio Class	1.60	–	–	–	–	–
Scotia INNOVA Balanced Income Portfolio Class	1.70	–	–	–	–	1.70
Scotia INNOVA Balanced Growth Portfolio Class	1.80	–	–	–	–	1.80
Scotia INNOVA Growth Portfolio Class	1.90	–	–	–	–	1.90
Scotia INNOVA Maximum Growth Portfolio Class	2.00	–	–	–	–	2.00

Management fees disclosed for the Scotia Portfolios are inclusive of the management fees charged to underlying funds. There is no duplication of fees. Management fees are not charged on Series I units. Instead, investors may negotiate a separate fee that is paid directly to the Manager.

Scotia Premium T-Bill Fund pays a rebate, called a management fee distribution, of 0.20% when the value of the Fund held within an investor's account is $250,000 to $1,000,000. It pays a management fee distribution of 0.35% when the value of the Fund held within an account is greater than $1,000,000.

As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees for Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund and Scotia U.S. $ Money Market Fund that otherwise would have been charged. Waived fees are included in absorbed expenses. The Manager may discontinue waiving fees and expenses at any time, without notice.

Investors who choose to buy Advisor Series units under the front-end sales charge option may have to pay a sales charge that may range from 0% to 6% of the amount invested. The amount of the sales charge is negotiated between the investor and his or her dealer. The sales charge will be deducted from the amount invested and paid to the dealer as a commission. There are no sales charges associated with the purchase of Series A, Premium Series, Series F, Series T or Series M units.

6. Redeemable Units

Units issued and outstanding represent the capital of each Fund. Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust or

articles of incorporation, ranks pari passu with all other units of the Fund and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Fund. Unitholders are entitled to distributions when declared. Distributions on units of a Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions, as outlined in the Funds' prospectus. The Funds have no specific restrictions or specific capital requirements on the subscriptions or redemptions of units, other than minimum subscription requirements.

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

Classification of Redeemable Units Issued by the Fund

The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been classified as financial liabilities. The Funds' outstanding units include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the unitholder), therefore the ongoing redemption feature is not the units' only contractual obligation. In addition, certain Funds have multiple features across the different series of the fund. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation."

For the periods ended June 30, 2014 and 2013, the following numbers of units were issued, reinvested and redeemed:

	June 2014			June 2013		
Funds	**Units Issued**	**Units Reinvested**	**Units Redeemed**	**Units Issued**	**Units Reinvested**	**Units Redeemed**
Scotia T-Bill Fund						
Series A Units	762,093	10,577	1,608,500	989,959	13,171	1,794,132
Scotia Premium T-Bill Fund						
Series A Units	3,474,697	89,114	7,607,039	3,189,613	122,319	7,117,501
Scotia Money Market Fund						
Series A Units	13,579,406	74,418	18,050,234	17,971,135	92,683	24,574,109
Advisor Series Units	197,318	420	57,900	74,033	247	90,306
Premium Series Units	9,072,093	88,355	8,921,885	10,878,275	115,465	16,546,052
Series I Units	–	98	–	3,000	6,900	89,010
Series M Units	120,783,382	729,584	112,225,679	116,261,676	686,886	148,998,975
Scotia U.S. $ Money Market Fund						
Series A Units	1,917,072	1,658	2,472,976	2,797,177	2,012	4,662,776
Scotia Short Term Bond Fund						
Series I Units	119,292	1,045	24,271	–	–	–
Series M Units	5,800,531	224,924	23,819,598	7,875,747	212,208	1,705,737
Scotia Private Short-Mid Government Bond Pool						
Series I Units	3,472,808	660,801	16,215,206	12,843,268	822,311	1,382,910
Series M Units	39,219,908	1,025,228	10,842,377	14,713,255	952,933	10,010,043
Scotia Mortgage Income Fund						
Series A Units	608,325	122,500	1,969,630	466,636	137,376	2,871,644
Series F Units	1,332	888	42,889	4,369	1,390	46,293
Series I Units	885,383	206,450	5,029,454	478,764	197,859	–
Series M Units	2,521,368	–	202,943	–	–	–
Scotia Floating Rate Income Fund						
Series I Units	51,845,509	426,207	67,441	–	–	–
Series M Units	8,439,088	–	905,346	–	–	–
Scotia Conservative Income Fund						
Series A Units	423,747	1,867	109,841	–	–	–
Scotia Bond Fund						
Series A Units	413,736	129,474	3,592,137	2,196,331	221,203	4,139,638
Series I Units	1,690,358	474,947	56,833	1,733,549	341,296	–
Scotia Canadian Income Fund						
Series A Units	2,533,703	940,091	19,507,289	11,359,950	1,310,208	18,862,570
Advisor Series Units	3,549	2,741	97,229	23,466	12,032	363,253
Series F Units	730	269	53,386	8,749	2,451	17,576
Series I Units	34,494,790	5,928,210	74,040,176	44,480,209	5,445,922	9,298,789
Series M Units	9,842,581	747,078	6,972,996	13,147,188	774,480	7,035,564
Scotia Private Canadian Corporate Bond Pool						
Series I Units	30,818,184	2,968,619	2,522,205	18,017,579	2,464,486	1,315,428
Series M Units	27,243,060	2,957,843	29,920,722	35,091,429	2,966,542	18,744,139

Funds	June 2014 Units Issued	June 2014 Units Reinvested	June 2014 Units Redeemed	June 2013 Units Issued	June 2013 Units Reinvested	June 2013 Units Redeemed
Scotia U.S. $ Bond Fund						
Series A Units	154,185	13,874	2,389,682	1,369,050	87,911	3,169,162
Series F Units	5,111	163	2,858	35,007	336	8,204
Scotia Global Bond Fund						
Series A Units	48,670	–	225,559	127,823	7,060	319,491
Series I Units	–	–	–	35,037	23,751	114,924
Scotia Diversified Monthly Income Fund						
Series A Units	24,011,709	3,840,299	25,690,486	32,218,197	4,028,013	23,139,217
Advisor Series Units	49,914	6,877	373,193	29,223	3,925	86,808
Series F Units	17,513	953	5,288	2,927	639	12,237
Scotia Income Advantage Fund						
Series A Units	2,688,136	295,233	1,976,316	5,457,471	255,932	1,099,756
Series M Units	262,239	–	177,135	–	–	–
Scotia Canadian Balanced Fund						
Series A Units	4,965,240	155,800	10,333,333	5,488,720	359,236	14,434,012
Series F Units	852	21	1,422	299	21	397
Scotia Dividend Balanced Fund						
Series A Units	7,075,793	25,348	1,383,781	4,584,346	46,284	858,335
Scotia Balanced Opportunities Fund						
Series A Units	4,412,845	40,063	2,899,073	3,635,644	125,755	2,675,544
Advisor Series Units	13,846	115	30,233	23,853	449	15,043
Series F Units	2,783	20	10	17	5	708
Scotia Global Balanced Fund						
Series A Units	1,096,272	–	366,980	964,229	7,813	220,688
Scotia U.S. $ Balanced Fund						
Series A Units	2,911,732	–	735,303	2,057,761	–	282,061
Scotia Private Canadian Preferred Share Pool						
Series I Units	2,932,010	30,978	15,795,610	2,400,608	166,989	–
Series M Units	19,053,220	893,045	4,718,598	9,925,542	478,592	3,098,316
Scotia Canadian Dividend Fund						
Series A Units	5,785,076	398,139	5,150,457	5,689,542	345,284	5,682,479
Advisor Series Units	108,884	3,339	110,470	57,832	2,583	68,982
Series F Units	50,024	2,257	20,549	27,006	1,789	57,079
Series I Units	5,227,740	615,551	2,511,757	5,042,071	496,089	445,519
Series M Units	4,403,104	227,605	2,785,167	4,137,350	152,525	1,480,824
Scotia Canadian Blue Chip Fund						
Series A Units	194,852	–	670,671	158,691	–	870,324
Series F Units	1,023	–	159	5,820	–	5,820
Series I Units	4,144	–	1,490	1,891	–	38,923
Scotia Private Canadian Equity Pool						
Series I Units	6,365,191	–	4,767,234	8,439,494	–	177,683
Series M Units	3,645,386	–	5,717,977	7,140,663	–	5,032,769
Scotia Canadian Growth Fund						
Series A Units	132,270	–	452,790	148,033	–	539,395
Advisor Series Units	–	–	626	–	–	865
Series F Units	1,521	–	–	–	–	–
Series I Units	48,107	–	–	28,868	–	24,374
Scotia Canadian Small Cap Fund						
Series A Units	70,078	–	199,310	59,172	–	255,072
Series I Units	–	–	–	432	–	57,462
Series M Units	143,701	–	37,802	54,909	–	84,246
Scotia Resource Fund						
Series A Units	372,353	–	835,820	432,243	–	910,197
Series F Units	–	–	–	260	–	13,202
Scotia Private Real Estate Income Pool						
Series M Units	2,948,434	270,502	1,095,607	2,681,115	114,364	1,242,812
Scotia Private North American Dividend Pool						
Series M Units	379,430	–	624,138	162,710	–	1,014,833
Scotia U.S. Dividend Fund						
Series A Units	947,709	–	179,462	868,657	–	36,720
Series I Units	2,079,674	–	1,623,092	–	–	196,539
Scotia Private U.S. Dividend Pool						
Series I Units	6,715,902	89,760	310,962	558,121	7,501	46,564
Series M Units	9,891,174	474,453	5,070,797	17,472,956	265,116	2,447,428
Scotia Private U.S. Equity Pool						
Series I Units	911,116	–	14,893,013	3,302,304	–	308,765
Series M Units	3,292,219	–	3,112,336	2,943,733	–	18,486,329

Funds	June 2014 Units Issued	June 2014 Units Reinvested	June 2014 Units Redeemed	June 2013 Units Issued	June 2013 Units Reinvested	June 2013 Units Redeemed
Scotia U.S. Blue Chip Fund						
Series A Units	389,325	–	331,060	245,064	–	368,586
Scotia U.S. Opportunities Fund						
Series A Units	430,903	–	251,355	182,352	–	262,104
Series I Units	6,186	–	2,903	4,530	–	128,187
Scotia Private International Core Equity Pool						
Series M Units	1,698,400	–	1,414,476	923,012	–	365,867
Scotia International Value Fund						
Series A Units	128,335	–	189,916	188,742	–	176,080
Advisor Series Units	–	–	–	–	–	–
Series I Units	1,903,580	–	1,513,718	40,917	–	651,441
Scotia European Fund						
Series A Units	149,965	–	178,467	108,577	–	173,497
Series F Units	73	–	–	–	–	–
Series I Units	–	–	–	–	–	10,686
Scotia Pacific Rim Fund						
Series A Units	53,845	–	207,895	107,727	–	210,801
Series I Units	–	–	–	–	–	28,472
Scotia Latin American Fund						
Series A Units	71,235	–	258,199	134,771	–	305,250
Series F Units	–	–	2,003	–	–	–
Series I Units	–	–	–	–	–	11,503
Scotia Global Dividend Fund						
Series A Units	2,015,239	–	538,347	2,101,565	–	327,520
Series I Units	985,611	–	481,648	222,694	–	145,723
Scotia Global Growth Fund						
Series A Units	247,723	–	210,340	148,767	–	201,573
Advisor Series Units	3,580	–	666	–	–	–
Series F Units	21	–	2	–	–	4
Series I Units	604,304	–	403,399	–	–	182,004
Scotia Global Small Cap Fund						
Series A Units	126,350	–	96,419	33,582	–	46,677
Series I Units	3,254,423	–	3,500,991	–	–	393,032
Scotia Global Opportunities Fund						
Series A Units	195,673	–	137,782	59,788	–	88,271
Advisor Series Units	4,620	–	143	–	–	–
Series F Units	225	–	–	–	–	–
Series I Units	2,846,002	–	2,648,781	11,370	–	171,449
Scotia Canadian Bond Index Fund						
Series A Units	1,017,632	502,839	8,781,910	4,573,870	735,005	9,643,238
Series F Units	–	21	2,245	–	11	6,562
Series I Units	–	–	–	15,579	56,975	228,604
Scotia Canadian Index Fund						
Series A Units	511,013	–	1,067,809	744,777	–	1,239,670
Series F Units	6,552	–	4,193	2,128	–	–
Series I Units	–	–	–	70	–	72,605
Scotia U.S. Index Fund						
Series A Units	703,587	–	471,901	912,847	–	334,034
Series F Units	979	–	1,171	–	–	–
Series I Units	–	–	–	–	–	136,891
Scotia CanAm Index Fund						
Series A Units	323,200	–	545,436	325,102	–	536,738
Series F Units	18,001	–	9,673	–	–	–
Scotia Nasdaq Index Fund						
Series A Units	1,199,632	–	693,116	559,722	–	423,010
Series F Units	6,951	–	97,287	–	–	–
Scotia International Index Fund						
Series A Units	288,015	–	312,372	295,689	–	334,731
Series F Units	–	–	–	–	–	234
Series I Units	–	–	–	5,162	–	324,997
Scotia Selected Income Portfolio						
Series A Units	1,738,319	45,027	391,512	1,564,500	17,463	105,542
Scotia Selected Balanced Income Portfolio						
Series A Units	8,603,705	–	4,529,153	7,028,717	–	3,087,007
Advisor Series Units	7,947	–	6,748	7,805	–	6,660
Scotia Selected Balanced Growth Portfolio						
Series A Units	9,203,529	–	6,361,385	7,010,187	–	6,473,015
Advisor Series Units	4,315	–	396	24	–	148
Series F Units	–	–	–	–	–	7,405

Funds	June 2014 Units Issued	June 2014 Units Reinvested	June 2014 Units Redeemed	June 2013 Units Issued	June 2013 Units Reinvested	June 2013 Units Redeemed
Scotia Selected Growth Portfolio						
Series A Units	6,454,412	–	3,646,255	5,030,662	–	4,220,179
Advisor Series Units	–	–	–	–	–	–
Series F Units	5,760	–	–	–	–	–
Scotia Selected Maximum Growth Portfolio						
Series A Units	1,937,018	–	919,231	1,432,998	–	1,043,612
Advisor Series Units	23,935	–	147	50	–	597
Series F Units	32	–	–	–	–	–
Scotia Partners Income Portfolio						
Series A Units	9,724,693	566,911	6,218,199	21,094,143	461,283	3,721,512
Scotia Partners Balanced Income Portfolio						
Series A Units	14,849,837	25	4,598,929	10,241,629	–	3,404,901
Series F Units	–	–	–	–	–	1,249
Scotia Partners Balanced Growth Portfolio						
Series A Units	21,173,178	22	8,955,570	15,841,855	–	8,122,653
Series F Units	329	–	817	1,719	–	2
Scotia Partners Growth Portfolio						
Series A Units	21,093,344	–	8,344,990	16,234,632	–	7,436,944
Series F Units	8,306	–	3,394	10,011	–	6,513
Scotia Partners Maximum Growth Portfolio						
Series A Units	5,717,444	–	2,164,439	3,729,055	–	2,206,137
Series F Units	627	–	1,853	753	–	565
Scotia INNOVA Income Portfolio						
Series A Units	13,999,494	26	14,489,246	29,063,109	–	11,118,745
Series T Units	2,476,581	86,653	1,839,071	4,949,145	96,867	2,436,110
Scotia INNOVA Balanced Income Portfolio						
Series A Units	26,020,856	54	9,353,231	25,760,378	–	6,111,962
Series T Units	5,572,247	102,561	1,929,841	4,642,100	64,667	1,336,222
Scotia INNOVA Balanced Growth Portfolio						
Series A Units	29,937,479	–	7,791,839	25,863,479	244	4,779,514
Series T Units	5,811,690	111,124	1,662,977	3,355,511	78,400	959,499
Scotia INNOVA Growth Portfolio						
Series A Units	20,076,453	–	3,390,407	12,814,699	–	2,279,003
Scotia INNOVA Maximum Growth Portfolio						
Series A Units	5,752,836	–	914,326	3,049,916	–	528,881
Scotia Short Term Yield Class						
Series M Units	–	–	–	–	68	–
Scotia Conservative Government Bond Capital Yield Class						
Series A Units	–	–	1,147,009	148,927	19,920	1,225,833
Series M Units	11,290	–	704,743	1,841,484	15,700	462,550
Scotia Canadian Corporate Bond Capital Yield Class						
Series M Units	412	–	1,153,868	3,829,346	27,433	529,819
Scotia Fixed Income Blend Class						
Series A Units	–	–	58,308	401,333	586	51,069
Scotia Canadian Dividend Class						
Series A Units	1,569,966	1,210	359,388	1,327,395	6,313	103,509
Series M Units	961,236	–	384,861	1,173,217	4,706	167,495
Scotia Canadian Equity Blend Class						
Series A Units	54,035	–	19,892	21,095	87	–
Scotia Private Canadian Equity Class						
Series M Units	45,084	–	190,618	297,694	966	49,327
Scotia Private U.S. Dividend Class						
Series M Units	252,805	–	281,912	571,574	2,102	62,005
Scotia Private U.S. Equity Class						
Series M Units	42,049	–	293,087	977,438	3,097	206,659
Scotia U.S. Equity Blend Class						
Series A Units	64,677	–	36,324	37,896	71	101
Scotia Global Dividend Class						
Series A Units	324,067	–	81,343	225,872	599	18,746
Scotia International Equity Blend Class						
Series A Units	10,097	–	4,036	23,922	64	–
Scotia INNOVA Income Portfolio Class						
Series A Units	931	–	3,356,403	16,680,493	106,912	4,926,147
Scotia INNOVA Balanced Income Portfolio Class						
Series A Units	20,757,495	–	4,047,547	16,849,978	37,953	889,695
Series T Units	970,432	1,847	86	–	–	–

Funds	June 2014 Units Issued	June 2014 Units Reinvested	June 2014 Units Redeemed	June 2013 Units Issued	June 2013 Units Reinvested	June 2013 Units Redeemed
Scotia INNOVA Balanced Growth Portfolio Class						
Series A Units	15,237,145	–	2,630,001	7,836,568	16,687	406,845
Series T Units	703,592	1,159	104	–	–	–
Scotia INNOVA Growth Portfolio Class						
Series A Units	6,405,945	–	1,120,131	2,541,635	5,586	204,872
Series T Units	91,062	150	–	–	–	–
Scotia INNOVA Maximum Growth Portfolio Class						
Series A Units	1,309,743	–	287,150	563,109	1,195	48,020
Series T Units	10,130	28	–	–	–	–

7. Operating Expenses

Each Fund is responsible for operating expenses relating to the carrying on of its business. Each series of a Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all series. Operating expenses may include legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, custodial fees, taxes, unitholder communication costs and other administration costs. Examples of other administrative costs include departmental expenses incurred and paid by the Manager which support the daily operation of the Funds. Administration service expenses paid to the Manager for the periods ended June 30, 2014 and 2013 are as follows:

Fund Name	June 30, 2014	June 30, 2013
Scotia T-Bill Fund	4,411	4,396
Scotia Premium T-Bill Fund	11,940	11,292
Scotia Money Market Fund	85,845	65,353
Scotia U.S. $ Money Market Fund	3,206	2,931
Scotia Short Term Bond Fund	8,203	6,039
Scotia Private Short-Mid Government Bond Pool	60,482	45,352
Scotia Mortgage Income Fund	14,218	11,836
Scotia Conservative Income Fund	95	–
Scotia Floating Rate Income Fund	19,074	–
Scotia Bond Fund	16,900	13,149
Scotia Canadian Income Fund	281,258	219,275
Scotia Private Canadian Corporate Bond Pool	159,223	108,320
Scotia U.S. $ Bond Fund	4,541	5,882
Scotia Global Bond Fund	974	1,509
Scotia Diversified Monthly Income Fund	131,542	92,808
Scotia Income Advantage Fund	10,226	5,121
Scotia Canadian Balanced Fund	114,464	89,967
Scotia Dividend Balanced Fund	13,185	4,946
Scotia Balanced Opportunities Fund	38,555	24,647
Scotia Global Balanced Fund	2,905	1,208
Scotia U.S. $ Balanced Fund	3,780	1,060
Scotia Private Canadian Preferred Share Pool	16,555	11,490
Scotia Canadian Dividend Fund	301,801	178,618
Scotia Canadian Blue Chip Fund	13,298	10,251
Scotia Private Canadian Equity Pool	38,496	21,067
Scotia Canadian Growth Fund	20,563	15,186
Scotia Canadian Small Cap Fund	3,178	2,845
Scotia Resource Fund	6,866	5,489
Scotia Private Real Estate Income Pool	6,545	1,981
Scotia Private North American Dividend Pool	3,261	2,271
Scotia U.S. Dividend Fund	6,991	3,566
Scotia Private U.S. Dividend Pool	39,504	14,396
Scotia Private U.S. Equity Pool	16,736	16,436
Scotia U.S. Blue Chip Fund	2,377	1,892
Scotia U.S. Opportunities Fund	1,452	1,213
Scotia Private International Core Equity Pool	2,527	1,110
Scotia International Value Fund	5,052	3,386
Scotia European Fund	1,444	1,099
Scotia Pacific Rim Fund	1,227	1,193
Scotia Latin American Fund	2,445	2,602
Scotia Global Dividend Fund	16,970	4,111
Scotia Global Growth Fund	19,196	11,451
Scotia Global Small Cap Fund	2,791	1,802
Scotia Global Opportunities Fund	4,080	2,518
Scotia Canadian Bond Index Fund	19,072	22,856
Scotia Canadian Index Fund	13,280	10,431
Scotia U.S. Index Fund	4,722	2,931
Scotia CanAm Index Fund	4,583	3,365
Scotia Nasdaq Index Fund	1,812	923
Scotia International Index Fund	1,592	1,614
Scotia Selected Income Portfolio	2,224	420
Scotia Selected Balanced Income Portfolio	33,763	17,542
Scotia Selected Balanced Growth Portfolio	59,715	37,334
Scotia Selected Growth Portfolio	39,780	23,389
Scotia Selected Maximum Growth Portfolio	9,101	5,126
Scotia Partners Income Portfolio	27,384	16,413
Scotia Partners Balanced Income Portfolio	37,972	20,178
Scotia Partners Balanced Growth Portfolio	101,851	59,715
Scotia Partners Growth Portfolio	124,428	67,829
Scotia Partners Maximum Growth Portfolio	29,531	15,716
Scotia INNOVA Income Portfolio	82,781	61,353
Scotia INNOVA Balanced Income Portfolio	93,824	46,941
Scotia INNOVA Balanced Growth Portfolio	107,947	48,473
Scotia INNOVA Growth Portfolio	52,045	21,832
Scotia INNOVA Maximum Growth Portfolio	13,216	4,896

The Manager, at its sole discretion, absorbs operating expenses otherwise payable by certain Series. The absorbed expenses are reflected in the Statement of Comprehensive Income. The Manager may cease to absorb expenses at any time.

For certain series of the Funds, the Manager will pay certain operating expenses. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, costs of preparing and distributing annual and semi-annual reports, prospectuses, fund facts and statements and investor communications. The administration fee may vary by series of shares and by Fund. In return, each series pays a fixed administration fee,

which is accrued daily and paid monthly. The maximum annual rates of administration fees are as follows:

	% of Net Asset Value		
	Series A Units	Series M Units	Series T Units
Scotia Short Term Yield Class	–	0.05	–
Scotia Conservative Government Bond Capital Yield Class	0.10	0.05	–
Scotia Canadian Corporate Bond Capital Yield Class	–	0.08	–
Scotia Fixed Income Blend Class	0.10	–	–
Scotia Canadian Dividend Class	0.10	0.08	–
Scotia Canadian Equity Blend Class	0.15	–	–
Scotia Private Canadian Equity Class	–	0.10	–
Scotia Private U.S. Dividend Class	–	0.15	–
Scotia Private U.S. Equity Class	–	0.15	–
Scotia U.S. Equity Blend Class	0.20	–	–
Scotia Global Dividend Class	0.30	–	–
Scotia International Equity Blend Class	0.30	–	–
Scotia INNOVA Income Portfolio Class	0.10	–	–
Scotia INNOVA Balanced Income Portfolio Class	0.10	–	0.10
Scotia INNOVA Balanced Growth Portfolio Class	0.10	–	0.10
Scotia INNOVA Growth Portfolio Class	0.10	–	0.10
Scotia INNOVA Maximum Growth Portfolio Class	0.10	–	0.10

Effective August 22, 2014, the Manager pays the operating expenses of the Fund, other than other Fund costs (as defined below) and taxes (the "Operating Expenses"), in exchange for the payment by the Fund of an annual fixed rate administration fee (the "Administration Fee") with respect to each series of the Fund, subject to a transitional adjustment payment up to December 31, 2016, the details of which are presented in the Fund's simplified prospectus. The Operating Expenses payable by the Manager include, but are not limited to, legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, taxes, unitholder communication costs and other administrative costs.

In addition to the Administration Fee, the Fund also pays "other fund costs", which include including the costs and expenses related to the IRC of the Funds, costs associated with the conversion to International Financial Reporting Standards ("IFRS") and the ongoing audit costs associated with compliance with IFRS, the cost of any government or regulatory requirements imposed commencing after May 14, 2014, and any new types of costs, expenses or fees not incurred prior to May 14, 2014, including those related to external services that were not commonly charged in the Canadian mutual fund industry as of May 14, 2014, any fee introduced after May 14, 2014 by a securities regulator or other government authority that is based on the assets or other criteria of the Funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST or HST, as applicable).

The Administration Fee is equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the management fees for the Fund.

Prior to August 22, 2014, the Fund was responsible for its Operating Expenses, which comprise a portion of the management expense ratio of the series of the Fund.

The Administration Fee does not apply to Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. $ Money Market Fund, Advisor Series units of the Funds and Series F units of Scotia Canadian Blue Chip Fund and Scotia Global Growth Fund.

8. Income Taxes

Mutual fund trusts

Each of the Trust Funds qualifies or expects to qualify as mutual fund trust under the Income Tax Act (Canada). These Funds are subject to tax on their income, including net realized capital gains that are not paid or payable to their unitholders. Each of the Funds distributes sufficient amounts of its net investment income, including net realized capital gains, less the amount retained to enable each Fund to utilize any available tax losses or tax credit attributable to redemptions during the period to its unitholders such that no income tax will be paid or payable by the Funds. Such net investment income, including net realized capital gains are taxable in the hands of the unitholders. Accordingly,the Trust Funds do not record Canadian income taxes in their financial statements.

In certain circumstances, the Funds may distribute a return of capital. A return of capital is generally not taxable to unitholders but will reduce the adjusted cost base of the units held.

Mutual fund corporation

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada) and has a December 31st tax year end. Each of the Corporate Class Funds within the Corporation are classes of shares of the Corporation and together are treated as one legal entity and a single taxpayer. As a result, the Corporation must consolidate its income, expenses, capital gains and capital losses of all of their Corporate Class Funds in order to determine the Corporation's tax payable as a whole and whether the Corporation will pay capital gains dividends to its shareholders.

The Corporation is subject to Part IV federal tax of 33 1/3% on the amount of taxable dividends received from taxable Canadian corporations. This tax is refundable as the Corporation pays taxable dividends to its shareholders at the rate of $1 for every $3 of taxable dividends paid. The Corporation will pay out sufficient ordinary dividends such that the Corporation would not be subject to Part IV tax.

The Corporation is also subject to Part I tax on other income and net taxable capital gains for the year. Part I tax

on taxable capital gains can be reduced by the capital gains refund available to mutual fund corporation which is calculated based on the level of redemptions by shareholders and capital gains dividends distributed to shareholders. The Corporation will pay out sufficient capital gains dividends such that the Corporation would not be subject to Part I tax.

As a result of the capital gains refund mechanism and Part IV tax refunds, the Corporation recovers any Canadian income taxes paid in respect of its capital gains and taxable dividends received from taxable Canadian Corporations. The Corporation has sufficient expense to offset other income such that the Corporation would not be subject to Part I tax on other income. As a result, the Corporation does not record any provision for such income taxes.

Losses Carried Forward

Capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward for up to twenty years and applied against all sources of income. The Funds' capital and/or non-capital losses carried forwards are disclosed in the respective Fund's "Fund Specific Notes".

Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as a deferred income tax asset. The following Funds have capital and/or non-capital losses carried forward as at December 31, 2013:

Fund	Year of expiry	Non-Capital Loss $	Capital Loss $
Scotia T-Bill Fund	–	–	–
Scotia Premium T-Bill Fund	–	–	–
Scotia Money Market Fund	–	–	–
Scotia U.S. $ Money Market Fund	–	–	59,006,354
Scotia Short Term Bond Fund	–	–	1,101,391
Scotia Private Short-Mid Government Bond Pool	–	–	1,332,465
Scotia Mortgage Income Fund	–	–	6,739,896
Scotia Bond Fund	–	–	–
Scotia Canadian Income Fund	–	–	–
Scotia Private Canadian Corporate Bond Pool	–	–	17,284,943
Scotia U.S. $ Bond Fund	–	–	7,801,426
Scotia Global Bond Fund	2033	1,251,522	29,077,335
Scotia Diversified Monthly Income Fund	–	–	33,289,401
Scotia Income Advantage Fund	–	–	–
Scotia Canadian Balanced Fund	–	–	94,585,424
Scotia Dividend Balanced Fund	–	–	–
Scotia Balanced Opportunities Fund	–	–	–
Scotia Global Balanced Fund	–	–	–
Scotia U.S. $ Balanced Fund	2031	21,765	–
	2032	71,019	–
Scotia Private Canadian Preferred Share Pool	–	–	1,101,949
Scotia Canadian Dividend Fund	–	–	19,978,027
Scotia Canadian Blue Chip Fund	–	–	–
Scotia Private Canadian Equity Pool	–	–	27,456,657
Scotia Canadian Growth Fund	–	–	23,148,952
Scotia Canadian Small Cap Fund	2032	142,967	14,345,852
Scotia Resource Fund	2029	432,698	43,470,028
Scotia Private North American Dividend Pool	–	–	60,421,983
Scotia Private U.S. Dividend Pool	–	–	–
Scotia Private U.S. Equity Pool	–	–	2,519,540
Scotia U.S. Blue Chip Fund	2014	487,690	130,365,618
	2015	449,146	–
	2028	367,040	–
	2029	232,487	–
	2030	83,350	–
	2031	201,686	–
	2032	404,417	–
	2033	63,906	–
Scotia U.S. Opportunities Fund	2015	1,658,776	39,647,412
	2026	489,880	–
Scotia Private International Core Equity Pool	–	–	173,623,938
Scotia International Value Fund	–	–	51,679,475
Scotia European Fund	–	–	52,464,199
Scotia Pacific Rim Fund	–	–	12,351,721
Scotia Latin American Fund	–	–	17,545,442
Scotia Global Dividend Fund	–	–	–
Scotia Global Growth Fund	–	–	121,464,078
Scotia Global Small Cap Fund	–	–	46,367,617
Scotia Global Opportunities Fund	–	–	2,039,226
Scotia Canadian Bond Index Fund	–	–	1,857,688
Scotia Canadian Index Fund	–	–	33,741,869
Scotia U.S. Index Fund	–	–	34,632,599
Scotia CanAm Index Fund	2028	8,497,106	97,698,814
	2031	224,632	–
Scotia Nasdaq Index Fund	–	–	6,146,144
Scotia International Index Fund	2031	4,951,898	13,164,074
Scotia U.S. Dividend Fund	–	–	–
Scotia Private Real Estate Income Pool	–	–	342,276
Scotia Selected Balanced Income Portfolio	–	–	–
Scotia Selected Balanced Growth Portfolio	–	–	15,279,063
Scotia Selected Growth Portfolio	–	–	22,302,339
Scotia Selected Maximum Growth Portfolio	2028	89,173	9,135,753
	2029	115,033	–
	2030	20,770	–
Scotia Selected Income Portfolio	–	–	–
Scotia Partners Income Portfolio	–	–	–
Scotia Partners Balanced Income Portfolio	–	–	–
Scotia Partners Balanced Growth Portfolio	–	–	–
Scotia Partners Growth Portfolio	2014	373,425	935
	2033	5,992,303	–
Scotia Partners Maximum Growth Portfolio	2026	193,524	7,299,817
	2029	758,991	–
	2030	3,341,158	–
	2031	906,769	–
	2033	5,350,074	–
Scotia INNOVA Income Portfolio	–	–	–
Scotia INNOVA Balanced Income Portfolio	–	–	–
Scotia INNOVA Balanced Growth Portfolio	–	–	–
Scotia INNOVA Growth Portfolio	–	–	–
Scotia INNOVA Maximum Growth Portfolio	–	–	–

As of December 31, 2013 the Corporation has no unused capital or non-capital losses.

Withholding Taxes

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

9. Client Brokerage Commissions

The ascertainable soft dollar arrangements in connection with investment portfolio transactions for the periods ended June 30, 2014 and 2013 are set out below.

Fund	2014	2013
Scotia Diversified Monthly Income Fund	$ 59,408	$ 30,947
Scotia Income Advantage Fund	4,982	2,832
Scotia Canadian Balanced Fund	78,253	45,393
Scotia Dividend Balanced Fund	7,981	34,235
Scotia Balanced Opportunities Fund	7,059	14,649
Scotia U.S. $ Balanced Fund	4,154	3,122
Scotia Canadian Dividend Fund	227,444	199,849
Scotia Canadian Blue Chip Fund	9,085	12,615
Scotia Private Canadian Equity Pool	19,746	1,755
Scotia Canadian Growth Fund	16,143	10,464
Scotia Canadian Small Cap Fund	3,697	1,493
Scotia Resource Fund	1,418	2,115
Scotia Private Real Estate Income Pool	8	885
Scotia Private North American Dividend Pool	452	91
Scotia U.S. Dividend Fund	5,634	–
Scotia Private U.S. Dividend Pool	905	803
Scotia Private U.S. Equity Pool	75,333	93,783
Scotia U.S. Blue Chip Fund	528	1,497
Scotia U.S. Opportunities Fund	1,910	3,047
Scotia Private International Core Equity Pool	562	248
Scotia International Value Fund	–	–
Scotia European Fund	14,326	3,703
Scotia Pacific Rim Fund	–	–
Scotia Latin American Fund	–	–
Scotia Global Dividend Fund	45,291	36,770
Scotia Global Growth Fund	40,222	42,585
Scotia Global Small Cap Fund	5,561	3,759
Scotia Global Opportunities Fund	12,516	8,939

Client brokerage commissions are arrangements pursuant to which products or services, other than the execution of portfolio securities transactions, are obtained by a portfolio adviser from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer.

For client brokerage commissions paid to related parties, please refer to Notes 10(c) for more information.

10. Related Party Transactions

(a) The Manager is a wholly-owned subsidiary of Scotiabank and a related party to the Funds. The Manager earns fees for acting as trustee and manager of the Funds. In addition, Scotiabank is the custodian of the Funds and earns a fee for providing custody and related services. The management fees, administration fees and custodian fees are disclosed in separate line items in the Statement of Comprehensive Income. Administration service expenses are disclosed in Note 7.

(b) As at June 30, 2014 and December 31, 2013 and January 1, 2013, certain Funds invested units in Funds managed by the Manager. These holdings are disclosed in the Schedule of Investment Portfolio, as applicable.

(c) Units of the Funds are distributed through brokers and dealers which include Scotia Securities Inc., Scotia Capital Inc. ("SCI") (including ScotiaMcLeod and Scotia iTRADE, each a division of SCI) and HollisWealth Advisory Services Inc., all wholly-owned subsidiaries of Scotiabank and related parties to the Manager.

The Funds may also invest in securities issued by Scotiabank and execute portfolio transactions through SCI. The brokerage fees paid to related parties for the periods ended June 30, 2014 and 2013 are as follows:

	June 30, 2014
Fund	Scotia Capital Inc.
Scotia Diversified Monthly Income Fund	$121,168
Scotia Income Advantage Fund	6,749
Scotia Canadian Balanced Fund	173,467
Scotia Balanced Opportunities Fund	18,635
Scotia U.S. $ Balanced Fund	1,720
Scotia Dividend Balanced Fund	10,212
Scotia Canadian Dividend Fund	207,889
Scotia Canadian Blue Chip Fund	13,864
Scotia Private Canadian Equity Pool	19,316
Scotia Canadian Growth Fund	16,280
Scotia Canadian Small Cap Fund	3,814
Scotia Resource Fund	3,960
Scotia Private Real Estate Income Pool	6,520
Scotia Private North American Equity Pool	–
Scotia U.S. Dividend Fund	3,183
Scotia Private U.S. Equity Pool	17,156
Scotia U.S. Opportunities Fund	992
Scotia Latin American Fund	34,030
Scotia Global Dividend Fund	442
Scotia Global Small Cap Fund	2,190
Scotia Global Opportunities Fund	7,048

	June 30, 2013
Fund	Scotia Capital Inc.
Scotia Diversified Monthly Income Fund	$110,070
Scotia Income Advantage Fund	9,089
Scotia Canadian Balanced Fund	21,528
Scotia Balanced Opportunities Fund	43,386
Scotia U.S. $ Balanced Fund	808
Scotia Dividend Balanced Fund	4,283
Scotia Canadian Dividend Fund	238,271
Scotia Canadian Blue Chip Fund	13,172
Scotia Private Canadian Equity Pool	426
Scotia Canadian Growth Fund	6,328
Scotia Canadian Small Cap Fund	5,370
Scotia Resource Fund	15,464
Scotia Private Real Estate Income Pool	8,790
Scotia Private North American Equity Pool	34
Scotia U.S. Dividend Fund	83,643
Scotia Private U.S. Equity Pool	24,214
Scotia U.S. Opportunities Fund	1,133
Scotia Latin American Fund	38,588
Scotia Global Dividend Fund	901
Scotia Global Opportunities Fund	4,604

(d) Scotia Mortgage Income Fund purchases and sells mortgages from Scotia Mortgage Corporation ("SMC"), a wholly-owned subsidiary of Scotiabank, and from Scotiabank at an amount which will produce a yield to Scotia Mortgage Income Fund of not more than one-quarter of one percent less than the interest rate at which Scotiabank is making similar commitments.

Scotia Mortgage Income Fund only holds conventional uninsured mortgages. For conventional uninsured mortgages, Scotia Mortgage Income Fund pays SMC or Scotiabank a guarantee fee equal to 0.25 percent

applied to the present value of each mortgage at the time of purchase. This guarantee fee is deferred and amortized over the remaining term to maturity of the mortgages purchased. Scotiabank has agreed to purchase from Scotia Mortgage Income Fund any mortgage purchased from SMC or from Scotiabank at such time if the mortgage is in default. The price of such purchase is equal to the principal value plus unpaid interest. Unamortized guarantee fees are included in "Investments at fair value" in the Statement of Financial Position. Amortized guarantee fees are included in "Interest" income in the Statement of Comprehensive Income and disclosed in the Fund's "Fund Specific Notes".

Scotia Mortgage Income Fund pays SMC mortgage service fees for administering all mortgages it holds. The fee is equal to an annualized rate of 3/8 of 1% of the outstanding principal balance of mortgages held.

As at June 30, 2014, unamortized guarantee fees is $792,267 (December 31, 2013 – $782,666, January 1, 2013 – $1,084,087).

There are no mortgages in arrears as at June 30, 2014 and 2013.

Mortgage service fees of $581,157 were paid to SMC for the period ended June 30, 2014 (June 30, 2013 – $624,547).

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

(f) Scotia Mocatta, a wholly-owned subsidiary of Scotiabank, is the custodian of gold bullion for certain funds. Scotia Mocatta earned a fee for providing custody and related services in total of U.S. $3,846 for period ended June 30, 2014 (June 30, 2013 – U.S. $3,144).

(g) As at June 30, 2014, December 31, 2013 and January 1, 2013, the Manager has invested in the following number of units in the following Funds:

Fund	June 30, 2014	December 31, 2013	January 1, 2013
Scotia Private Real Estate Income Pool	–	–	15,008 Series M Units
Scotia U.S. Dividend Fund	–	–	15,000 Series A Units
Scotia Selected Income Portfolio	–	–	15,088 Series A Units
Scotia Short Term Yield Class	15,068 Series M Units	15,068 Series M Units	15,000 Series M Units
Scotia Fixed Income Blend Class		–	15,000 Series A Units
Scotia Canadian Equity Blend Class	–	15,239 Series A Units	15,000 Series A Units
Scotia Private Canadian Equity Class	–	–	15,364 Series M Units
Scotia Private U.S. Dividend Class	–	–	15,000 Series M Units
Scotia Private U.S. Equity Class	–	–	15,000 Series M Units
Scotia U.S. Equity Blend Class	–	15,032 Series A Units	15,000 Series A Units
Scotia Global Dividend Class	–	–	15,009 Series A Units
Scotia International Equity Blend Class	15,067 Series A Units	15,067 Series A Units	15,000 Series A Units
Scotia INNOVA Maximum Growth Portfolio Class	–	–	15,000 Series A Units

(h) The Manager received approval from the Independent Review Committee to invest the Funds' overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is reflected in the Statements of Comprehensive Income in "Interest for distribution purposes" in the Investment income section.

11. Securities Lending

Some of the Funds may enter into securities lending transactions under a securities lending program with their custodian, The Bank of Nova Scotia ("Scotiabank) (credit rating of A+ by Standard & Poor's). These transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. The income earned from these securities lending transactions is recorded in the Statements of Comprehensive Income. The fair value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangement can be terminated by the borrower, the securities lending agent or the Fund at any time. The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the Net Assets of the Fund.

The Funds receive collateral of at least 104% of the value of the securities on loan. Collateral is received in the form of debt obligations of the Government of Canada, a Canadian provincial government, the government of the United States of America, certain financial institutions or other qualified securities, and is not included in the Schedule of Investment Portfolio. The aggregate market value of the securities on loan and the collateral received by the Funds

as at June 30, 2014, December 31, 2013 and January 1, 2013 are as follows:

	As at June 30, 2014	
Fund	Market value of securities on loan	Market value of collateral received
Scotia T-Bill Fund	$ 6,075,896	$ 6,378,061
Scotia Premium T-Bill Fund	30,332,820	31,850,265
Scotia Money Market Fund	58,797,996	61,841,571
Scotia Short-Term Bond Fund	2,205,404	2,325,092
Scotia Private Short-Mid Government Bond Pool	68,176,912	83,676,378
Scotia Bond Fund	18,905,090	19,840,935
Scotia Canadian Income Fund	944,938,881	995,393,039
Scotia Private Canadian Corporate Bond Pool	71,883,370	77,876,463
Scotia U.S. $ Bond Fund	259,478	276,779
Scotia Global Bond Fund	653,128	696,674
Scotia Diversified Monthly Income Fund	13,908,904	56,411,027
Scotia Income Advantage Fund	5,556,198	5,833,360
Scotia Canadian Balanced Fund	6,474,279	6,904,095
Scotia Dividend Balanced Fund	6,221,524	14,528,878
Scotia Balanced Opportunities Fund	45,713,841	53,537,720
Scotia Private Canadian Preferred Share Pool	4,993,201	5,674,517
Scotia Canadian Dividend Fund	118,101,650	174,924,629
Scotia Canadian Blue Chip Fund	6,442,991	6,872,436
Scotia Private Canadian Equity Pool	29,888,150	69,098,306
Scotia Canadian Growth Fund	19,341,111	20,572,237
Scotia Resource Fund	3,826,625	4,050,637
Scotia Private Real Estate Income Pool	1,785,580	1,955,568
Scotia Private U.S. Dividend Pool	32,097,444	34,237,391
Scotia Private U.S. Equity Pool	8,473,863	8,873,040
Scotia U.S. Blue Chip Fund	79,605	251,461
Scotia International Value Fund	2,768,634	2,921,906
Scotia Latin American Fund	55,368	58,433
Scotia Global Dividend Fund	67,881	71,639
Scotia Global Growth Fund	7,019,883	7,614,095
Scotia Global Small Cap Fund	3,171,789	3,397,613
Scotia Canadian Bond Index Fund	81,215,320	86,142,987
Scotia Canadian Index Fund	7,141,304	11,495,617
Scotia U.S. Index Fund	1,208,876	1,668,378
Scotia Nasdaq Index Fund	649,727	682,039
Scotia CanAm Index Fund	7,127,958	7,482,444

	As at December 31, 2013	
Fund	Market value of securities on loan	Market value of collateral received
Scotia T-Bill Fund	$ 15,552,276	$ 16,342,632
Scotia Premium T-Bill Fund	68,218,474	71,650,796
Scotia Short-Term Bond Fund	12,715,267	13,383,220
Scotia Private Short-Mid Government Bond Pool	127,559,817	134,130,527
Scotia Bond Fund	33,329,531	35,090,114
Scotia Canadian Income Fund	1,172,178,252	1,232,119,571
Scotia Private Canadian Corporate Bond Pool	187,667,882	197,440,205
Scotia U.S. $ Bond Fund	3,728,253	3,911,439
Scotia Diversified Monthly Income Fund	16,984,402	17,757,203
Scotia Income Advantage Fund	5,763,126	6,035,906
Scotia Canadian Balanced Fund	60,464,014	63,315,351
Scotia Dividend Balanced Fund	7,102,967	7,433,248
Scotia Balanced Opportunities Fund	23,144,253	24,220,760
Scotia Private Canadian Preferred Share Pool	3,478,040	3,641,907
Scotia Canadian Dividend Fund	82,124,660	85,938,490
Scotia Canadian Blue Chip Fund	1,269,325	1,324,984
Scotia Private Canadian Equity Pool	48,759,157	51,392,152
Scotia Canadian Growth Fund	44,981,022	47,154,433
Scotia Resource Fund	8,233,395	8,596,853
Scotia Private Real Estate Income Pool	9,977,240	10,432,076
Scotia Private North American Dividend Pool	1,114,458	1,165,782
Scotia U.S. Dividend Fund	39,780	41,346
Scotia Private U.S. Dividend Pool	17,270,236	18,146,590
Scotia Private International Core Equity Pool	161,712	168,078
Scotia Latin American Fund	11,909	12,461
Scotia Global Dividend Fund	3,901,487	4,058,795
Scotia Global Growth Fund	10,912,467	11,402,058
Scotia Global Small Cap Fund	2,629,000	2,748,523
Scotia Canadian Bond Index Fund	82,526,681	86,689,920
Scotia Canadian Index Fund	11,158,153	11,711,519
Scotia U.S. Index Fund	$ 14,414	$ 14,981
Scotia Nasdaq Index Fund	499,465	525,179
Scotia CanAm Index Fund	14,087,828	14,810,986
Scotia International Index Fund	4,997,100	5,253,664
Scotia INNOVA Income Portfolio	14,853,555	15,614,944
Scotia INNOVA Balanced Income Portfolio	9,458,861	9,939,315
Scotia INNOVA Income Portfolio Class	253,810	266,689

	As at January 1, 2013	
Fund	Market value of securities on loan	Market value of collateral received
Scotia T-Bill Fund	$ 42,108,145	$ 44,408,650
Scotia Premium T-Bill Fund	174,074,681	183,652,649
Scotia Short-Term Bond Fund	4,140,305	4,569,009
Scotia Private Short-Mid Government Bond Pool	32,893,482	36,269,802
Scotia Bond Fund	35,695,034	38,291,673
Scotia Canadian Income Fund	384,681,813	409,387,006
Scotia Private Canadian Corporate Bond Pool	38,525,071	40,472,832
Scotia U.S. $ Bond Fund	8,286,928	8,705,252
Scotia Diversified Monthly Income Fund	15,706,133	16,422,477
Scotia Income Advantage Fund	3,608,335	3,840,364
Scotia Canadian Balanced Fund	18,054,817	18,946,410
Scotia Dividend Balanced Fund	5,359,473	5,756,388
Scotia Balanced Opportunities Fund	36,561,269	38,788,302
Scotia Private Canadian Preferred Share Pool	6,837,385	7,392,277
Scotia Canadian Dividend Fund	21,522,108	22,914,850
Scotia Canadian Blue Chip Fund	5,940,132	6,239,988
Scotia Private Canadian Equity Pool	30,325,210	32,840,739
Scotia Canadian Growth Fund	25,358,556	26,788,057
Scotia Resource Fund	7,913,046	8,366,774
Scotia Private North American Dividend Pool	804,633	887,160
Scotia Private U.S. Dividend Pool	19,435	21,448
Scotia U.S. Blue Chip Fund	67,388	139,384
Scotia Pacific Rim Fund	302,213	333,505
Scotia Global Dividend Fund	13,546	14,230
Scotia Global Growth Fund	4,715,417	5,115,207
Scotia Global Small Cap Fund	10,301	10,821
Scotia Canadian Bond Index Fund	105,927,214	112,726,337
Scotia Canadian Index Fund	19,349,319	20,810,777
Scotia U.S. Index Fund	57,877	61,892
Scotia CanAm Index Fund	24,613,167	25,857,552
Scotia International Index Fund	9,839,494	10,338,812
Scotia INNOVA Income Portfolio	24,844,063	26,397,062
Scotia INNOVA Balanced Income Portfolio	12,152,506	12,918,923

12. Transition to IFRS

The effect of each of the Funds' transition to IFRS is summarized in this note as follows:

Transition elections

The only voluntary exemption adopted by the Funds upon transition was the ability to designate a financial asset or liability at fair value through profit and loss upon transition to IFRS. All financial assets or liabilities designated at FVTPL upon transition were previously valued at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Statement of cash flows

Under Canadian GAAP, the Funds were exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financial statements include a statement of cash flows for the current and comparative periods, without exception.

Reconciliations and explanation of any significant adjustments

The following reconciliations between IFRS and Canadian GAAP, as required by IFRS 1 for each Fund are disclosed in the respective Fund's "Fund Specific Notes".

- Statement of financial position reconciliation as previously reported under Canadian GAAP to IFRS
- Statement of comprehensive income reconciliation as previously reported under Canadian GAAP to IFRS

Classification of redeemable units issued by the Funds

Under Canadian GAAP, the Funds accounted for their redeemable units as equity. Under IFRS, IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

Revaluation of investments at FVTPL

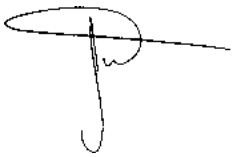
Under Canadian GAAP, the Funds measured the fair values of investments in accordance with Section 3855, *Financial Instruments – Recognition and Measurement*, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices were available. Under IFRS, the funds measure the fair values of its investments using the guidance in IFRS 13, *Fair Value Measurement* (IFRS 13), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. As a result, upon adoption of IFRS an adjustment was recognized to adjust for the carrying amount of the Funds' investments.

Management's Responsibility For Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by 1832 Asset Management L.P., in its capacity as manager (the "Manager") of the Funds and have been approved by the Board of Directors of Scotia Corporate Class Inc. ("SCCI"), with respect to the Funds that are corporate funds (the "Corporate Funds"), and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as trustee (the "Trustee") of the Funds, with respect to the Funds that are trust funds (the "Trust Funds"). The Board of Directors of SCCI, with respect to the Corporate Funds, and the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., with respect to the Trust Funds, are responsible for the information and representations contained in these financial statements and the management report of fund performance.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies which the Manager believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Finance Committee of the Board of Directors of 1832 Asset Management G.P. Inc. is responsible for reviewing the financial statements and the management report of fund performance and recommending them to the Boards of Directors of SCCI and 1832 Asset Management G.P. Inc. for approval, in addition to meeting with management, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.



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August 11, 2014

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