

Scotia Latin American Fund

Guide to this Document

Investment Objective

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

Reasons for Investing

- ▶ Significant macroeconomic improvements and favourable demographics support the case for investing in emerging markets.
- ▶ Offers concentrated exposure to Latin American equity markets well positioned for future growth.
- ▶ Focused exposure to Latin American companies makes the fund a potential diversifier in a portfolio that has a heavy weighting to developing countries.

Risk Rating



Time Horizon 5 years or more

Fund Essentials

Inception Date	October 1994
Total Assets \$Mil	52.32
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.66
NAV \$ as of 12-31-2011	21.40

Series Options

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS364
F	No Load	CAD	BNS564

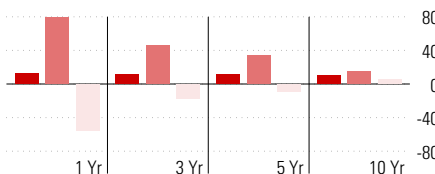
Portfolio Manager Karim Abdel-Motaal
GLG Partners, Inc.

Management Company Scotia Asset Management
Telephone 800 268-9269
Web Site www.scotiafunds.com

Benchmark CIBC WM 91 Day Treasury Bill
CAD
Fund Category Miscellaneous - Geographic Equity

Morningstar Rating™
N/A

Performance Analysis as of 12-31-2011



Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	12.5	11.1	11.5	9.7
Best	79.3	45.3	34.2	14.6
Worst	-55.4	-16.7	-9.3	5.6
No. of Periods	195	171	147	87
% Positive	68.7	64.3	86.4	100.0

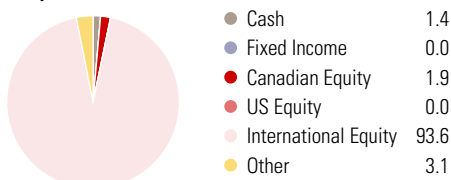
Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-4.1	1.7	-21.3	-27.8	-13.6	8.9	-6.7	6.7
Benchmark	0.1	0.2	0.5	1.0	0.7	0.6	1.8	2.3
Quartile	—	—	—	—	—	—	—	—

Calendar Year Returns (%)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	0.1	-20.5	31.3	25.3	44.0	43.8	15.0	-52.4	73.2	3.4	-27.8
Benchmark	4.8	2.4	2.9	2.3	2.5	3.8	4.3	3.1	0.5	0.4	1.0
Quartile	—	—	—	—	—	—	—	—	—	—	—

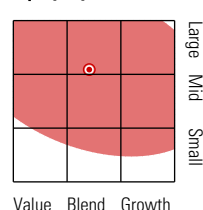
Distributions (\$/unit)											
Total	0.91	—	—	0.12	0.19	0.74	2.96	—	—	—	0.35
Income	0.91	—	—	0.12	0.19	0.08	0.03	—	—	—	0.35
Capital Gains	—	—	—	—	—	0.66	2.94	—	—	—	—

Portfolio Analysis as of 11-30-2011

Composition



Equity Style



Market Cap

Market Cap	% Assets
Giant	16.0
Large	31.3
Medium	42.6
Small	10.2
Micro	0.0

Top Ten Holdings

Holder	% Assets
Vale S.A. ADR	9.0
Bradespar S.A. Pfd Shs	7.7
Itausa Investimentos ITAU S.A.	6.1
Grupo Mexico, S.A.B. de C.V.	5.1
Lojas Renner S.A.	5.0
Petroleo Brasileiro SA Petrobras ADR	4.8
America Movil, S.A.B. de C.V.	3.9
Grupo Financiero Banorte, S.A.B De C.V.	3.2
Petroleo Brasileiro SA Petrobras	3.1
QGEP Participacoes S.A.	2.9

Total Number of Portfolio Holdings

Category	Count
Total Number of Portfolio Holdings	44
Total Number of Stock Holdings	42
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Underlying Holdings	44

Top 5 Sector Allocation

Sector	% Assets
Materials	24.2
Financials	22.7
Consumer Discretionary	15.5
Energy	13.4
Telecommunications Services	9.7

Geographic Allocation

Region	% Assets
Brazil	68.7
Mexico	18.2
Chile	8.0
Canada	3.3
Colombia	1.9

Scotia Latin American Fund

Portfolio Advisor Overview

Manager Bio



Karim Abdel-Motaal
Manager Since 2009-5-1
GLG Partners, Inc.

Karim is Co-Head of the Emerging Market team at GLG. He joined the firm from Morgan Stanley where he was the Global Co-Head of Emerging Markets.

Prior to Morgan Stanley, Karim was a Portfolio Manager at Tudor Capital where he managed one of the firm's emerging markets trading books. Prior to Tudor, Karim was the Global Head of Emerging Local Markets Research at J.P. Morgan. During this time, he was responsible for building J.P. Morgan's local currency research effort and developing a suite of models and indices that have become benchmarks for the asset class.

Additional Information

You can find additional information about each fund in its annual information form, its most recently filed annual and interim financial statements, and its most recently filed annual and interim management reports of fund performance.

You can get a copy of these documents, at no charge, by calling 1 800 268-9269 for English or 1 800 387-5004 for French, or from your dealer or broker. You can also download these documents from our website at www.scotiafunds.com, or from SEDAR at www.sedar.com.

Portfolio Advisor Quarterly Commentary as of 12-31-2011

The fourth quarter of 2011 brought some respite to what has been a disappointing year for global investors, as both local and global headlines conspired to enhance investor sentiment. Investor frustration with Europe continued, as evidenced by Italian yields spiking to above the critical 7% level near year end. However, the Latin American region rose 6.3%, following Brazil's surprise interest rate cut and evidence of a U.S. economic recovery with the purchasing managers index (PMI) release in November. Over the quarter, the Fund returned 1.7%, underperforming the benchmark, which returned 6.3%. Underperformance was due largely to weaker stock selection. Within the consumer discretionary sector, the largest detractor was Magazine Luiza, a Brazilian furniture and electronics retailer. Lojas Renner,

a fashion retailer, also underperformed amidst fears of a rapid slowdown in consumption. We remain optimistic about the region over the medium term, though acknowledge the short-term headwinds created by Europe's debt crisis. Our optimism is driven by two key factors: valuation levels and the policy tools and flexibility available to local governments. From a valuation perspective, the global uncertainty has created a significant de-rating and as a result the MSCI Latin America Index is now trading below both its five- and 15-year historical averages. In addition, policy response is once again turning to focus on growth. Policymakers have an array of tools and resources available to ensure that any local growth slowdown is short lived.

Disclosure

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IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are available from Scotia Securities Inc., a corporate entity separate from, although wholly-owned by, The Bank of Nova Scotia, and other dealers. ScotiaFunds are managed by Scotia Asset Management L.P., a limited partnership wholly-owned directly and indirectly by The Bank of Nova Scotia.

Fund prices are provided for information purposes only. All information pertains to Class A units of the fund unless stated otherwise.

Units of the fund are only available for sale to residents of Canada, unless the laws of a foreign jurisdiction permit sales to its residents. Please contact your financial advisor for more details. The contents of this document should not be considered an offer to sell to, or a solicitation to buy mutual fund units from, any person in a jurisdiction where such offer or solicitation is considered unlawful.

Important information about the fund is contained in the Simplified Prospectus, which should be read carefully before investing. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. The performance data provided assumes reinvestment of distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. There can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment will be returned to you. Mutual funds are not covered by the Canada Deposit Insurance Corporation (CDIC) or by any other government deposit insurer. Past performance may not be repeated.

Scotia Asset Management L.P., as Manager of the ScotiaFunds, may compensate its staff and any appointed sub-distributor by regular payments based on the net asset value (NAV) of units held by investors. For further details, please refer to the Simplified Prospectus.