

# Scotia Canadian Index Fund

**Benchmark**  
S&P/TSX Composite TR

**Fund Category**  
Canadian Equity

**Morningstar Rating™**  
★★★

## Investment Objective

The fund's objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index.

## Reasons for Investing

- ▶ Offers fully invested exposure to the Canadian equity market.
- ▶ Enables participation in Canadian equity markets and to track the performance of a broad-based Canadian index.
- ▶ Cost efficient investment to gain broad Canadian equity market exposure.

## Risk Rating



**Time Horizon** 5 years or more

## Fund Essentials

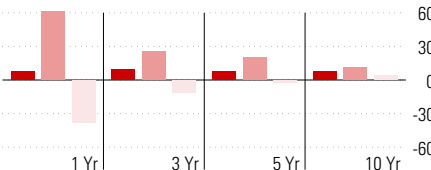
Inception Date	December 1996
Total Assets \$Mil	193.18
Min. Initial Inv.(\$)	1,000
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	0.99
NAV \$ as of 10-31-2009	18.86

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS381
F	No Load	CAD	BNS581

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

## Performance Analysis as of 10-31-2009



Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	7.2	8.9	7.9	7.8
Best	61.0	25.0	19.8	11.1
Worst	-38.2	-10.7	-1.9	4.1
No. of Periods	143	119	95	35
% Positive	64.3	74.8	93.7	100.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-4.1	1.8	18.3	15.5	-11.2	-1.7	6.2	5.9
Benchmark	-4.0	1.8	18.7	15.7	-10.9	-1.2	6.9	6.4
Quartile	3	2	2	2	2	2	2	3

Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	30.9	10.9	-13.5	-13.3	25.4	13.4	22.9	16.2	9.0	-33.2	24.4
Benchmark	31.7	7.4	-12.6	-12.4	26.7	14.5	24.1	17.3	9.8	-33.0	24.8
Quartile	1	3	4	3	2	2	2	2	2	2	2

Distributions (\$/unit)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Total	0.11	1.04	—	0.11	0.09	0.05	0.07	0.22	0.33	0.39	—
Income	0.11	0.15	—	0.11	0.09	0.05	0.07	0.22	0.33	0.39	—
Capital Gains	—	0.88	—	—	—	—	—	—	—	—	—

## Portfolio Analysis as of 09-30-2009

Composition	% Assets	Equity Style	Market Cap	%
Cash	0.3		Giant	47.2
Fixed Income	0.0		Large	27.5
Canadian Equity	99.7		Medium	22.6
US Equity	0.0		Small	2.7
International Equity	0.0		Micro	0.0
Other	0.0			

Geographic Allocation	% Assets	Top 5 Sector Allocation	% Assets
Canada	100.0	Financials	32.1
		Energy	27.3
		Materials	18.3
		Industrial	5.4
		Consumer Discretionary	4.3

Top Holdings	% Assets	Top Holdings Cont'd	% Assets
Royal Bank of Canada	6.5	BCE Inc.	1.6
Toronto-Dominion Bank	4.8	Sun Life Financial, Inc.	1.5
Suncor Energy, Inc.	4.7	Talisman Energy, Inc.	1.5
Bank of Nova Scotia	4.0	Kinross Gold Corporation	1.3
EnCana Corporation	3.7	Enbridge, Inc.	1.3
Barrick Gold Corporation	3.2	Rogers Communications, Inc. B	1.3
Canadian Natural Resources, Ltd.	3.1	Canadian Oil Sands Trust	1.2
Manulife Financial Corporation	2.9	Teck Resources Ltd B	1.1
Research in Motion, Ltd.	2.9	Thomson Reuters Corporation	1.1
Goldcorp, Inc.	2.5	Nexen, Inc.	1.0
Bank of Montreal	2.4	<b>Total Number of Portfolio Holdings</b>	<b>205</b>
Potash Corp of Saskatchewan	2.3	Total Number of Stock Holdings	204
Canadian Imperial Bank of Commerce	2.0	Total Number of Bond Holdings	0
Canadian National Railway Company	2.0	Total Number of Other Holdings	1
TransCanada Corporation	1.8	Total Number of Underlying Holdings	205

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## Portfolio Advisor Overview

### Manager Bio



**Jean-François Pépin**  
**Manager Since** 2002-3-1  
**State Street Global Advisors (Montreal)**

Jean-François is a Vice President and Head of the Global Structured Products Group for State Street Global Advisors. He is in charge of a team of portfolio managers who are responsible for managing passive international and North American equity and synthetic index funds. Previously, Jean-François was a portfolio manager with the Global Structured Products Group; and preceding this, he worked with the Investment Accounting Team as a team leader. He joined the firm in 1998.

### 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](http://www.scotiafunds.com), or from SEDAR at [www.sedar.com](http://www.sedar.com).

### Portfolio Advisor Quarterly Commentary as of 09-30-2009

The return for the Scotia Canadian Index Fund over the quarter was 10.48% versus the benchmark S&P/TSX Composite Index return of 10.61%.

The continued equity market rally around the globe was accompanied by the fears that this is just another bubble waiting to be popped, given the fresh memories of crashing housing and equity values. Some investors remain worried that the equity markets may have stepped up too much too quickly and got ahead of reality, whereas others argued that valuations are still roughly in

line with historical norms.

This quarter saw a surge in the price of natural gas, but little change in the price of oil. The price of natural gas was up almost 50% since hitting a seven and a half year low in early September. The health care sector was the best performing sector over the third quarter. However, it was the resource sectors that contributed the most to the equity market rally, driven by the steady gains of underlying commodity prices.

### Disclosure

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### IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are managed by Scotia Asset Management LP, a corporate entity separate from, although wholly-owned 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 LP, 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.