

# Scotia U.S. Index Fund

**Benchmark**  
S&P 500 TR (Bank of Canada) CAD

**Fund Category**  
US Equity

**Morningstar Rating™**  
★★★

## Investment Objective

The fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 (S&P 500) Index. It invests primarily in the stocks that are included in the index.

## Reasons for Investing

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

## Risk Rating



**Time Horizon** 5 years or more

## Fund Essentials

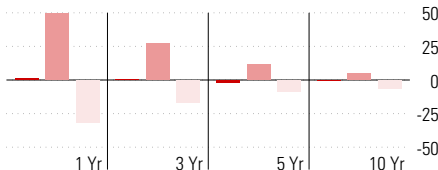
Inception Date	December 1996
Total Assets \$Mil	39.15
Min. Initial Inv.(\$)	1,000
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	0.89
NAV \$ as of 10-31-2009	10.29

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS382
F	No Load	CAD	BNS582

**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.	1.0	0.2	-1.8	-0.5
Best	49.4	27.2	11.9	5.1
Worst	-31.3	-16.7	-8.7	-6.2
No. of Periods	143	119	95	35
% Positive	51.0	44.5	29.5	37.1

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-1.0	5.3	7.8	-3.5	-11.8	-9.4	-3.4	-5.2
Benchmark	-1.4	5.3	8.3	-2.8	-10.8	-8.3	-2.1	-4.0
Quartile	2	2	3	3	2	2	3	3

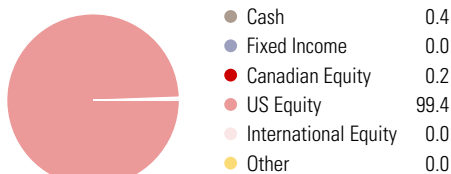
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	13.1	-6.9	-7.5	-23.6	3.9	2.1	0.4	14.1	-11.6	-23.3	2.7
Benchmark	14.2	-5.5	-6.4	-22.7	5.2	3.3	1.6	15.7	-10.5	-21.9	3.0
Quartile	2	3	2	3	3	2	3	2	3	2	3

## Distributions (\$/unit)

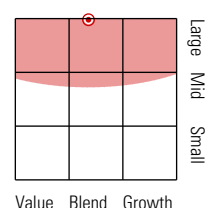
Total	0.36	0.08	0.05	0.15	0.09	0.12	0.11	0.10	0.10	0.14	—
Income	0.36	0.08	0.05	0.15	0.09	0.12	0.11	0.10	0.10	0.14	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

## Portfolio Analysis as of 09-30-2009

### Composition



### Equity Style



### Market Cap

Giant	50.9
Large	36.1
Medium	12.8
Small	0.2
Micro	0.0

### Geographic Allocation

United States	99.4
Canada	0.6

### Top 5 Sector Allocation

Information Technology	18.6
Financials	15.2
Health Care	13.2
Energy	11.7
Consumer Staples	11.6

### Top Holdings

ExxonMobil Corporation	3.5
Microsoft Corporation	2.1
General Electric Company	1.9
J.P. Morgan Chase & Co.	1.8
Procter & Gamble Company	1.8
Johnson & Johnson	1.8
Apple, Inc.	1.8
AT&T, Inc.	1.7
International Business Machines Corp	1.7
Bank of America Corporation	1.6
Chevron Corporation	1.5
Cisco Systems, Inc.	1.5
Wells Fargo Company	1.4
Coca-Cola Company	1.3
Google, Inc.	1.3

### Top Holdings Cont'd

Pfizer Inc.	1.2
Hewlett-Packard Company	1.2
Intel Corporation	1.2
Wal-Mart Stores, Inc.	1.1
Goldman Sachs Group, Inc.	1.0
Philip Morris International Inc	1.0
PepsiCo, Inc.	1.0
Verizon Communications Inc.	0.9
Oracle Corporation	0.9
Abbott Laboratories	0.8

<b>Total Number of Portfolio Holdings</b>	<b>501</b>
Total Number of Stock Holdings	500
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	501

# Scotia U.S. Index Fund

## 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 Scotia U.S. Index Fund over the quarter was 5.79% versus the benchmark S&P 500 Index return of 6.84% (both fund and index returns are in Canadian dollars).

The third quarter of 2009 began quietly, as investors nervously digested the remarkable relief rally that boosted global equity markets during the spring. Over the period, leading economic indicators continued to suggest emergence from the recession, with business confidence picking up consistently. Even the battered U.S. housing market showed early hints of pricing stability. Central bankers acknowledged the improvement, but given weak employment conditions and the tentative flow of credit,

reiterated that removal of monetary stimulus remained a distant prospect.

All ten economic sectors comprising the S&P 500 produced positive returns for the quarter, with the financials sector being the top performer over the quarter. Despite occasional blips in incoming economic data, investors were increasingly drawn to companies that could profit from renewed growth. The long tattered information technology sector, while still the clear year-to-date leader among of the benchmark's economic sectors, only outperformed the benchmark slightly during the last quarter.

### 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.