

# Scotia Canadian Growth Fund

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

**Fund Category**  
Canadian Focused Equity

**Morningstar Rating™**  
★★

## Investment Objective

The fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

## Reasons for Investing

- Provides higher growth potential by investing in companies that are growing at a faster rate than the overall market.
- Well diversified across a broad number of sectors with some Canadian smaller cap and international exposure.
- Complements more conservative or value-oriented Canadian equity funds within a portfolio.

## Risk Rating



**Time Horizon** 5 years or more

## Fund Essentials

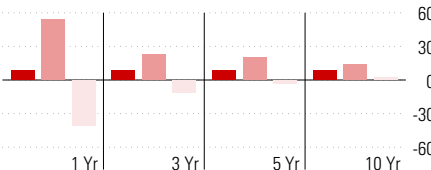
Inception Date	February 1961
Total Assets \$Mil	396.17
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.15
NAV \$ as of 10-31-2009	47.92

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS372
Adv	Deferred Sales	CAD	BNS972
Adv	Front End	CAD	BNS772
Adv	Low Load	CAD	BNS872
F	No Load	CAD	BNS572

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

## Performance Analysis as of 10-31-2009



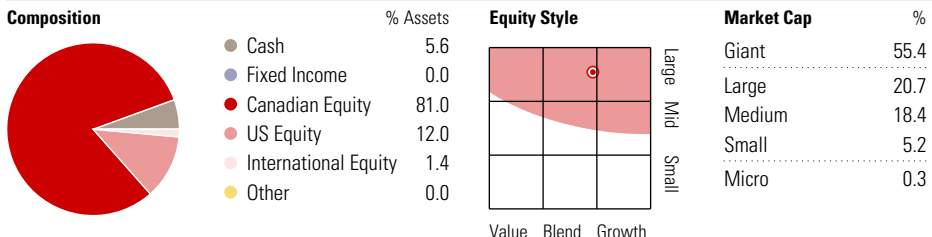
Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	8.1	8.6	8.6	8.6
Best	54.4	22.8	19.7	14.2
Worst	-40.2	-11.3	-3.2	2.1
No. of Periods	289	265	241	181
% Positive	69.6	84.2	92.9	100.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-3.3	1.9	13.5	8.0	-15.4	-5.2	3.2	3.8
Benchmark	-4.0	1.8	18.7	15.7	-10.9	-1.2	6.9	6.4
Quartile	2	3	3	3	4	3	3	3

Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	26.8	9.7	-6.5	-18.4	21.9	8.5	20.4	14.8	9.2	-38.2	20.0
Benchmark	31.7	7.4	-12.6	-12.4	26.7	14.5	24.1	17.3	9.8	-33.0	24.8
Quartile	2	3	3	4	2	4	2	3	1	4	2

Distributions (\$/unit)												
Total	—	—	—	—	—	—	—	1.75	9.38	—	—	—
Income	—	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	1.75	9.38	—	—	—

## Portfolio Analysis as of 09-30-2009



Geographic Allocation	% Assets	Top 5 Sector Allocation	% Assets
Canada	86.5	Financials	30.1
United States	12.0	Energy	28.4
China	1.0	Materials	15.2
Israel	0.4	Industrial	8.3
		Information Technology	6.3

Top Holdings	% Assets	Top Holdings Cont'd	% Assets
Toronto-Dominion Bank	6.7	TriStar Oil & Gas Ltd.	1.8
Bank of Nova Scotia	6.7	EnCana Corporation	1.8
Royal Bank of Canada	5.6	Bank of America Corporation	1.8
Canadian Natural Resources, Ltd.	5.3	Goldcorp, Inc.	1.7
Suncor Energy, Inc.	4.7	SNC-Lavalin Group	1.6
Canadian National Railway Company	4.1	Canadian T-Bill 07-01-2010	1.3
Research in Motion, Ltd.	3.9	Shoppers Drug Mart	1.3
Manulife Financial Corporation	3.5	Johnson & Johnson	1.3
Power Corporation Of Canada	3.4	PepsiCo, Inc.	1.2
Canadian T-Bill 10-12-2009	2.8	Rogers Communications, Inc. B	1.2
Potash Corp of Saskatchewan	2.8	<b>Total Number of Portfolio Holdings</b>	<b>107</b>
Crescent Point Energy Corporation	2.8	Total Number of Stock Holdings	80
TransCanada Corporation	2.3	Total Number of Bond Holdings	0
Talisman Energy, Inc.	2.2	Total Number of Other Holdings	27
Niko Resources Ltd	2.0	Total Number of Underlying Holdings	107

# Scotia Canadian Growth Fund

## Portfolio Advisor Overview

### Manager Bio



**Wes Mills**  
**Manager Since** 2008-11-1

Wes Mills joined Scotia Asset Management in 1993 and has been with Scotiabank for 23 years. Wes is currently responsible for growth oriented portfolios for mutual fund and high net worth private client investors.

Wes has extensive investment experience in North American and international markets, and has managed money on behalf of mutual fund, private client, trust and institutional clients. Over his career, he has managed European, Asian and Latin American mutual funds, Japanese institutional equities and Canadian, U.S. and North American focused portfolios.

### 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 Canadian Growth Fund was 7.32% over the quarter versus the benchmark S&P/TSX Composite Index return of 10.61%.

The quarter was a continuation of the re-rating of equities as the market started to anticipate the shift from negative to positive economic growth. Earnings growth in the last quarter was from cost cutting, but increasingly revenue growth is now expected. The fund's underperformance was driven primarily by its exposure to the information technology, health care and financials sectors, while its allocation to the energy sector contributed positively to performance.

For the quarter, the fund's overweight positions were in

the technology and U.S. health care sectors, while its underweight positions were found in the financials and telecom sectors. The portfolio advisor added to the fund's holdings within the energy sector based on further evidence of global growth which offset concerns about weak demand.

The portfolio advisor believes that the fund is well positioned to benefit from a continuation of the current economic recovery. As such, it remains overweight economically cyclical companies within the industrials, energy and technology sectors. The fund also remains modestly overweight health care companies due to their secular growth characteristics.

### 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.