

Scotia Canadian Growth Fund

? Guide to this Document

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.
- Complements more conservative or value-oriented Canadian equity funds within a portfolio.

Risk Rating



Time Horizon Long Term

Fund Essentials

Inception Date	February 1961
Total Assets \$Mil	327.85
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.18
NAV \$ as of 12-31-2011	46.18

Series Options

Series	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

Portfolio Manager Alexander Lane
 Goodman & Company,
 Investment Counsel
 John Varao
 Goodman & Company,
 Investment Counsel

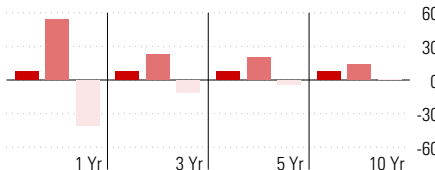
Management Company Scotia Asset Management
Telephone 800 268-9269
Web Site www.scotiafunds.com

Benchmark
S&P/TSX Composite TR

Fund Category
Canadian Focused Equity

Morningstar Rating™
★★

Performance Analysis as of 12-31-2011



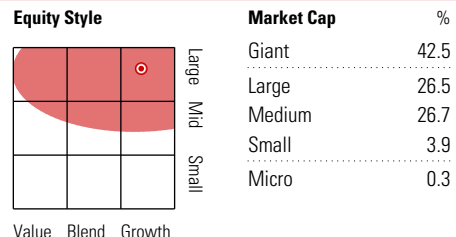
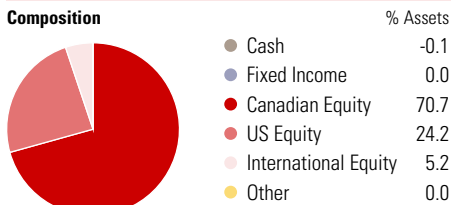
Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	7.6	7.4	8.0	7.9
Best	54.4	22.8	19.7	14.2
Worst	-40.2	-11.3	-3.9	0.2
No. of Periods	289	265	241	181
% Positive	68.2	75.5	90.9	100.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-2.4	5.2	-10.9	-16.4	-3.2	6.7	-3.9	2.0
Benchmark	-1.7	3.6	-8.9	-8.7	3.6	13.2	1.3	7.0
Quartile	4	2	3	4	4	3	4	4

Calendar Year Returns (%)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	-6.5	-18.4	21.9	8.5	20.4	14.8	9.2	-38.2	29.5	12.0	-16.4
Benchmark	-12.6	-12.4	26.7	14.5	24.1	17.3	9.8	-33.0	35.1	17.6	-8.7
Quartile	3	4	2	4	2	3	1	4	2	2	4

Distributions (\$/unit)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	—	—	—	—	—	1.75	9.38	—	—	2.66	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	1.75	9.38	—	—	2.66	—

Portfolio Analysis as of 11-30-2011



Top Ten Holdings	% Assets
Toronto-Dominion Bank	5.0
Crescent Point Energy Corporation	4.0
Athabasca Oil Sands Corp	4.0
Bank of Nova Scotia	3.9
Bank of Montreal	3.7

Potash Corporation of Saskatchewan, Inc.	3.6
Teck Resources Ltd Class B	3.6
Valeant Pharmaceuticals Intl Inc	3.6
Visa, Inc.	3.4
Canadian Natural Resources Ltd	3.0

Total Number of Portfolio Holdings	65
Total Number of Stock Holdings	64
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	65

Top 5 Sector Allocation	% Assets
Energy	30.1
Materials	20.3
Financials	14.7
Information Technology	11.5
Industrial	7.7

Geographic Allocation	% Assets
Canada	70.7
United States	24.2
Argentina	2.6
Australia	1.1
China	1.0

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Portfolio Advisor Overview

Manager Bio

Alexander Lane

Manager Since 2012-1-3

Goodman & Company, Investment Counsel

Alexander Lane, Portfolio Manager and Senior Analyst, joined the Goodman & Company Investment Counsel team in 2000. Previously, Alex was a Vice President at TD Asset Management Inc. where he covered Canadian Small Cap and Global Technology stocks. He joined TD Bank Financial Group in 1991 and served in various positions before entering the investment management business in 1996. At Goodman & Company, Alex is the Senior Analyst for the Power Team, working closely with Rohit Sehgal and Noah Blackstein.

John Varao

Manager Since 2012-1-3

Goodman & Company, Investment Counsel

John Varao is Vice President & Portfolio Manager at Goodman & Company, Investment Counsel Ltd., the sub-advisor of the fund. Prior to joining GCICL, John was Chief Investment Officer of Scotia Asset Management (SAM) and was responsible for the overall investment policy for all managed assets. John has a B.A. with an Economics major from McMaster University and holds the Chartered Financial Analyst designation.

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 was characterized by strong returns in October, as investors expected positive news from Europe. Although positive overall, performance slowed at the end of the quarter in response to the ongoing European sovereign debt situation and fear that more European countries would have their credit ratings downgraded. The energy and industrial sectors led the market, whereas the materials sector detracted most from performance, as gold stocks continued to sell off aggressively. The Fund returned 5.2% for the quarter, outperforming the S&P/TSX Composite Index, which returned 3.6%. Outperformance was due to the Fund's individual security selection and an overweight position in energy. From a sector perspective, energy and industrials contributed most to performance, while materials and financials detracted most. From a security perspective, Athabasca Oil Sands, Crescent Point Energy

and Canadian Natural Resources contributed the most, while Osisko Mining, Arcos Dorados and Potash Corp. detracted the most.

The U.S. market is an important theme for the Fund; we have increased exposure to the country because although it still faces headwinds from a macroeconomic perspective, it has a more diverse set of investment opportunities than Canada and compelling growth prospects. In terms of the eurozone debt situation, investors still need to see a more definitive solution, which has led us to be very mindful about protecting against future downside risk. We continue to believe we are in a market recovery and will see a re-acceleration in growth. With the market eventually returning to fundamentals, long-term investors currently averaging into the market should be well rewarded.

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.. Goodman & Company, Investment Counsel Ltd. is the portfolio sub-advisor of the fund. Scotia Asset Management L.P. and Goodman & Company, Investment Counsel Ltd. are each directly or indirectly, 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 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.