

Scotia U.S. Growth 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. It invests primarily in a broad range of U.S. equity securities.

Reasons for Investing

- ▶ Offers broad sector exposure to the United States, the largest single country economy.
- ▶ Growth investment approach complements Scotia U.S. Value Fund within a well diversified portfolio.
- ▶ Invests in companies with above average earnings and price appreciation potential, while maintaining broad sector and industry diversification.

Risk Rating



Time Horizon 5 years or more

Fund Essentials

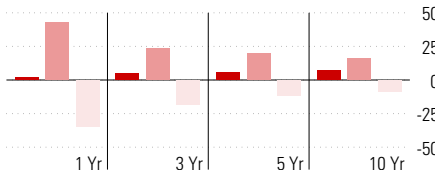
Inception Date	December 1986
Total Assets \$Mil	30.54
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.56
NAV \$ as of 10-31-2009	6.12

Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS353
F	No Load	CAD	BNS553

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.	2.2	4.9	6.0	6.8
Best	42.5	23.6	19.7	15.7
Worst	-34.5	-18.5	-11.3	-8.8
No. of Periods	263	239	215	155
% Positive	59.7	59.8	55.3	81.3

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-0.8	2.5	-0.5	-11.9	-16.8	-12.7	-6.5	-8.6
Benchmark	-1.4	5.3	8.3	-2.8	-10.8	-8.3	-2.1	-4.0
Quartile	1	4	4	4	4	4	4	4

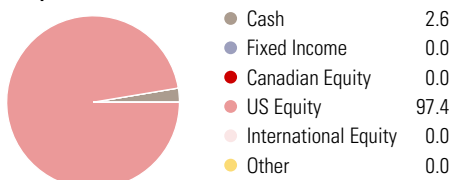
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	10.8	-11.9	-12.7	-23.8	-4.3	-1.1	0.0	8.5	-7.9	-27.1	-6.5
Benchmark	14.2	-5.5	-6.4	-22.7	5.2	3.3	1.6	15.7	-10.5	-21.9	3.0
Quartile	3	4	3	3	4	4	3	4	2	3	4

Distributions (\$/unit)

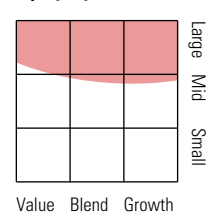
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Total	—	—	—	—	—	—	—	—	—	—	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

Portfolio Analysis as of 09-30-2009

Composition



Equity Style



Market Cap

Market Cap	%
Giant	60.6
Large	28.3
Medium	11.0
Small	0.0
Micro	0.0

Geographic Allocation

Geographic Allocation	% Assets
United States	97.4
Canada	2.6

Top 5 Sector Allocation

Top 5 Sector Allocation	% Assets
Information Technology	18.0
Financials	14.5
Consumer Staples	12.9
Energy	12.3
Health Care	12.2

Top Holdings

Top Holdings	% Assets
ExxonMobil Corporation	3.7
J.P. Morgan Chase & Co.	2.8
General Electric Company	2.7
Microsoft Corporation	2.5
AT&T, Inc.	2.4
Bank of America Corporation	2.3
Apple, Inc.	2.2
Cisco Systems, Inc.	2.2
International Business Machines Corp	2.2
Procter & Gamble Company	2.1
Pfizer Inc.	2.1
Goldman Sachs Group, Inc.	2.0
Wells Fargo Company	2.0
Chevron Corporation	1.9
3M Company	1.8

Top Holdings Cont'd

Top Holdings Cont'd	% Assets
Schlumberger, Ltd.	1.7
Johnson & Johnson	1.6
CVS Caremark Corporation	1.6
Schering-Plough Corporation	1.6
Walgreen Company	1.5
Coca-Cola Company	1.5
Verizon Communications Inc.	1.5
Oracle Corporation	1.5
McDonald's Corporation	1.5
Wal-Mart Stores, Inc.	1.5

Total Number of Portfolio Holdings	74
Total Number of Stock Holdings	70
Total Number of Bond Holdings	0
Total Number of Other Holdings	4
Total Number of Underlying Holdings	74

Scotia U.S. Growth Fund

Portfolio Advisor Overview

Manager Bio



Cameron Winsor
Manager Since 2007-10-1
Scotia Asset Management

Cameron has been the Director of U.S. Equities since joining Scotia Asset Management in 2007. He has extensive experience with U.S. and Canadian equities and his disciplined method of investing combines quantitative, technical and fundamental analysis.

Prior to joining Scotia Asset Management, Cameron worked at RBC for eleven years. Positions which allowed Cameron to acquire experience include Derivatives Analyst & Trader, Quantitative Analyst and most recently, Portfolio Manager, North American Equities.

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 09-30-2009

The return of Scotia U.S. Growth Fund over the quarter was 1.54% versus the benchmark S&P 500 Index return of 6.84%.

During the third quarter, the U.S. dollar weakened versus the Canadian dollar, detracting from the fund's performance. Stock selection was also a major contributor to the fund's underperformance as both small-cap and value stocks continue to outperform large-cap growth stocks.

The best performing sectors over the period were financials, industrials and materials. During the quarter, the fund had a slightly overweight position in the industrials sector and slightly underweight position in the financials sector. Overall, sector allocation slightly

detracted from the fund's performance.

Overall, stock selection was the biggest negative contributor to the fund's performance. By sector, stock selection within energy and consumer staples contributed to the fund's performance, while stock selection within the financials, consumer discretionary and telecom sectors detracted from the fund's performance.

Going into the fourth quarter, the portfolio advisor believes the key will be for companies to start showing signs of growth in revenues. Last quarter was characterized by companies beating earnings, but in most cases these surprises were based on gains from one time cost cutting measures.

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.