

# Scotia International Index Fund

**Guide to this Document**

**Benchmark**  
MSCI EAFE GR CAD

**Fund Category**  
International Equity

**Morningstar Rating™**  
★★★

## Investment Objective

The fund's objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It invests primarily in futures contracts that are linked to the performance of the indexes, and in cash and money market instruments.

## Reasons for Investing

- ▶ Offers fully invested niche exposure to the international equity market.
- ▶ Enables investors to track the performance of the MSCI EAFE Index through the purchase of equity index futures and currency futures.
- ▶ Cost efficient investment to gain broad international equity market exposure within a registered account.

## Risk Rating



**Time Horizon** Long term

## Fund Essentials

Inception Date	November 1999
Total Assets \$Mil	19.39
Min. Initial Inv.(\$)	1,000
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	1.21
NAV \$ as of 12-31-2011	6.10

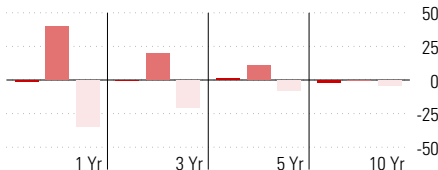
## Series Options

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS387
F	No Load	CAD	BNS587

**Portfolio Manager** Emiliano Rabinovich  
State Street Global Advisors (Toronto)

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

## Performance Analysis as of 12-31-2011



Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	-1.4	-0.3	1.1	-2.1
Best	39.6	19.4	11.1	-0.4
Worst	-34.2	-20.6	-8.1	-4.5
No. of Periods	134	110	86	26
% Positive	50.0	42.7	41.9	0.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-1.2	0.4	-12.6	-10.7	-5.6	-0.6	-8.1	-1.1
Benchmark	-0.8	1.0	-11.6	-9.5	-3.7	1.4	-6.8	0.5
Quartile	1	3	2	2	3	3	2	2

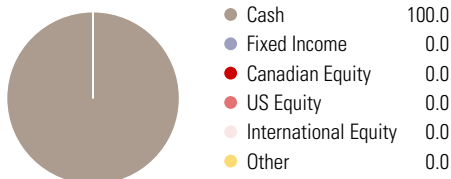
Calendar Year Returns (%)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	-18.9	-17.3	13.3	9.1	8.5	22.7	-6.9	-28.3	10.4	-0.3	-10.7
Benchmark	-16.3	-16.5	13.8	11.9	11.2	26.4	-5.3	-28.8	12.5	2.6	-9.5
Quartile	4	2	2	3	3	3	3	1	3	4	2

## Distributions (\$/unit)

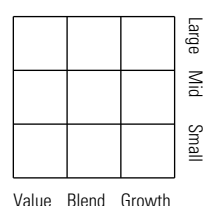
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	—	—	—	—	—	0.16	0.46	—	—	—	—
Income	—	—	—	—	—	0.16	0.46	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

## Portfolio Analysis as of 11-30-2011

### Composition



### Equity Style



### Market Cap

Market Cap	%
Giant	—
Large	—
Medium	—
Small	—
Micro	—

### Top Ten Holdings

Top Ten Holdings	% Assets
Total Number of Portfolio Holdings	20
Total Number of Stock Holdings	0
Total Number of Bond Holdings	0
Total Number of Other Holdings	20
Total Number of Underlying Holdings	20

### Top 5 Sector Allocation

Top 5 Sector Allocation	% Assets
Consumer Discretionary	0.0
Consumer Staples	0.0
Energy	0.0
Financials	0.0
Health Care	0.0

### Geographic Allocation

Geographic Allocation	% Assets
Canada	87.4
Netherlands	7.8
Germany	4.8

# Scotia International Index Fund

## Portfolio Advisor Overview

### Manager Bio



**Emiliano Rabinovich**  
**Manager Since** 2010-2-1  
**State Street Global Advisors (Toronto)**

Emiliano is a Principal of State Street Global Advisors and a Portfolio Manager for State Street Global Advisors Ltd. (Canada). He is involved in the passive management of international and North American index funds in the Global Structured Products Group. He joined the company in 2006. Emiliano holds a BA in Economics from the University of Buenos Aires and a Master of Arts in Economics from the University of CEMA. He has also earned the CFA Designation and is a member of the Montreal CFA Society.

### 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 12-31-2011

In the fourth quarter, the international markets story revolved around the debt crisis in the eurozone. Politicians continued to make little progress on the matter and sovereign bond auctions disappointed in the final two months of the year. Unemployment rose in the U.K., but the eurozone purchasing managers index (PMI) improved slightly. In Japan, business confidence began to erode and consumer confidence in Australia declined. After raising administered interest rates in April and July, the European Central Bank reversed course and cut rates in both November and December, thereby pushing the key policy rate back to 1.00%. Over the quarter, equity performance was positive in most of the developed markets. Over the quarter, the Fund returned 0.4% versus the benchmark return of 1.0%. During the period, the Fund's performance across sectors was mixed, with five positive contributors and five detractors. The energy, consumer staples and health care sectors

were positive contributors to performance. However, positions in the financials, utilities and information technology sectors detracted. At the country level, performance was similarly mixed. The U.K., Australia and Sweden contributed positively while Japan, Spain and Singapore detracted.

Going forward, the portfolio advisor expects global growth to decelerate to approximately 3.7% in 2012, as advanced economies are likely to 2012, as oil prices are likely to rise only modestly. The portfolio advisor also believes that the major central banks in both the advanced and developing economies are either on hold or ready to provide further easing. The risks to global growth appear skewed to the downside, primarily reflecting the general lack of momentum in the advanced economies and potential fallout from the European debt crisis.

### Disclosure

TM Trademark of The Bank of Nova Scotia, used under licence.  
 ® Registered trademark of The Bank of Nova Scotia, used under licence.

### 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., a limited partnership wholly-owned directly and indirectly 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.