

Scotia International Index Fund

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 5 years or more

Fund Essentials

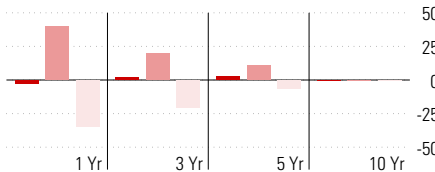
Inception Date	November 1999
Total Assets \$Mil	26.48
Min. Initial Inv.(\$)	1,000
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	1.14
NAV \$ as of 10-31-2009	6.84

Class Options

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

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.	-2.8	1.6	2.6	—
Best	39.6	19.4	11.1	—
Worst	-34.2	-20.6	-6.5	—
No. of Periods	108	84	60	—
% Positive	49.1	53.6	58.3	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-0.4	6.7	17.6	13.0	-11.9	-7.1	1.2	—
Benchmark	-0.9	7.8	19.2	13.8	-11.6	-6.0	3.0	-0.7
Quartile	1	2	2	3	2	2	2	—

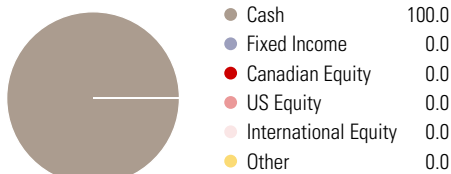
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	-13.6	-18.9	-17.3	13.3	9.1	8.5	22.7	-6.9	-28.3	10.1
Benchmark	20.3	-11.0	-16.3	-16.5	13.8	11.9	11.2	26.4	-5.3	-28.8	11.7
Quartile	—	4	4	2	2	3	3	3	3	1	3

Distributions (\$/unit)

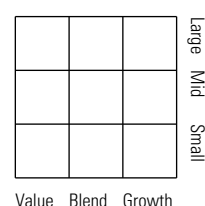
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Total	—	—	—	—	—	—	—	—	—	—	0.54
Income	—	—	—	—	—	—	—	—	—	—	0.54
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

Portfolio Analysis as of 09-30-2009

Composition



Equity Style



Market Cap

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

Geographic Allocation

Geographic Allocation	% Assets
Canada	100.0

Top 5 Sector Allocation

Sector	% Assets
Consumer Discretionary	0.0
Consumer Staples	0.0
Energy	0.0
Financials	0.0
Health Care	0.0

Top Holdings

Top Holdings	% Assets
Canada T-Bill	30.4
Canadian T-Bill 01-10-2009	23.3
Canadian T-Bill 12-11-2009	10.0
Canadian T-Bill 10-12-2009	8.9
Canadian T-Bill 26-11-2009	6.7
Okanagan Funding Tr C/P 101609 (ST)	4.9
Canadian T-Bill 04-02-2010	4.3
Canada Govt T-Bills	3.3
Merit Trust C/P 100209	2.9
Canadian T-Bill 15-10-2009	2.8

Top Holdings Cont'd

Top Holdings Cont'd	% Assets
Storm King Funding Tr C/P 102009 (ST)	2.3
Merit Trust C/P 102109	2.0
Cash & Cash Equivalents	-1.9

Total Number of Portfolio Holdings

Total Number of Portfolio Holdings	Count
Total Number of Stock Holdings	0
Total Number of Bond Holdings	0
Total Number of Other Holdings	13
Total Number of Underlying Holdings	13

Scotia International 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, or from SEDAR at www.sedar.com.

Portfolio Advisor Quarterly Commentary as of 09-30-2009

The return for Scotia International Index Fund over the quarter was 9.14% versus the benchmark MSCI EAFE Index return of 10.46% (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. Leading economic indicators continued to suggest emergence from the recession, with business confidence picking up consistently.

Led by ongoing rebounds in financial shares and cyclical

stocks, most equity markets around the world posted solid gains over the period. Australia was the region that had the strongest performance over the period. Equity markets in Greece and the Netherlands also outperformed over the period, while one of the largest equity markets in the region, Japan, posted the weakest return over the quarter.

With regards to economic sectors, all ten posted double digit gains over the period, with the financials sector leading the way as investors recovered from the solvency fears of last winter. This increased confidence continued to boost the group.

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.