

# Scotia Premium T-Bill Fund

**Benchmark**  
CIBC WM 91 Day Treasury Bill CAD

**Fund Category**  
Canadian Money Market

**Morningstar Rating™**  
★★★★

## Investment Objective

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada. The fund pays a rebate, called a management fee distribution, of 0.20% when the value of the fund within an account is \$250,000 to \$1 million and 0.35% when the value of the fund within an account is more than \$1 million. If you are eligible for a management fee distribution, you can expect to realize more income from the fund than you would otherwise realize.

## Reasons for Investing

- ▶ Offers minimal risk while providing greater liquidity than short-term GICs or term deposits.
- ▶ Provides a high level of safety by investing primarily in Government of Canada T-bills and other government guaranteed short-term debt instruments.
- ▶ Offers investors who invest more than \$100,000 a higher yield than Scotia T-Bill Fund through a tiered management fee rebate.

## Risk Rating



**Time Horizon** Up to 2 years

## Fund Essentials

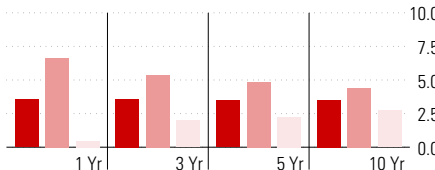
Inception Date	July 1992
Total Assets \$Mil	889.36
Min. Initial Inv.(\$)	100,000
Min. Additional Inv.(\$)	500
Income Distribution	Monthly
Capital Distribution	Annually
MER %	0.32
NAV \$ as of 10-31-2009	10.00

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS360

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.	3.6	3.6	3.5	3.5
Best	6.6	5.4	4.8	4.4
Worst	0.5	2.0	2.2	2.7
No. of Periods	196	172	148	88
% Positive	100.0	100.0	100.0	100.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	0.00	0.01	0.03	0.48	1.58	2.29	2.40	2.75
Benchmark	0.02	0.06	0.11	0.99	2.14	2.86	2.93	3.27
Quartile	3	3	3	3	3	3	2	2

Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	4.31	5.04	3.99	2.00	2.32	1.72	2.07	3.36	3.71	2.35	0.22
Benchmark	4.70	5.38	4.82	2.36	2.89	2.27	2.48	3.84	4.29	3.13	0.47
Quartile	2	1	1	1	2	1	2	2	2	3	3

Distributions (\$/unit)											
Total	0.4227	0.4932	0.3917	0.1981	0.2299	0.1705	0.2054	0.3306	0.3645	0.2322	0.0224
Income	0.4227	0.4932	0.3917	0.1981	0.2299	0.1705	0.2054	0.3306	0.3645	0.2322	0.0224
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

## Portfolio Analysis as of 09-30-2009

Composition	% Assets	Fixed Income Style	Credit Quality	%												
Cash	90.2	<table border="1"> <tr> <td>High</td> <td>High</td> <td>90.9</td> </tr> <tr> <td>Med</td> <td>Medium</td> <td>8.4</td> </tr> <tr> <td>Low</td> <td>Low</td> <td>0.0</td> </tr> <tr> <td></td> <td>NR/NA</td> <td>0.7</td> </tr> </table>	High	High	90.9	Med	Medium	8.4	Low	Low	0.0		NR/NA	0.7		
High	High		90.9													
Med	Medium		8.4													
Low	Low		0.0													
	NR/NA		0.7													
Fixed Income	9.8															
Canadian Equity	0.0															
US Equity	0.0															
International Equity	0.0															
Other	0.0															

Cash Breakdown	Cash (%)	Fixed Income Breakdown	% Bond
Corporate Cash	0.0	Government Bonds	9.8
Liquid Bonds	14.7	Corporate Bonds	0.0
Treasury Bills	85.3	Other Bonds	0.0
General Cash	0.0	Mortgage Backed Securities	0.0
		ST Investments (Cash & Other)	90.2
		Asset Backed Securities	0.0

Top Holdings	% Assets	Top Holdings Cont'd	% Assets
Canadian T-Bill 01-10-2009	23.9	Manitoba Province P/N	0.6
Canadian T-Bill	19.4	Canadian T-Bill 05-10-2009	0.5
Canadian T-Bill 15-10-2009	16.9	Newfoundland T-Bill 01-10-2009	0.4
Canadian T-Bill 10-12-2009	13.4	Cash & Cash Equivalents	0.0
Canada Hsg Tr No 1 3.55% 15-09-2010	7.7	<b>Total Number of Portfolio Holdings</b>	<b>14</b>
Province Of Quebec 06-08-2011	5.1	Total Number of Stock Holdings	0
Ontario Prov Cda 6.2% 19-11-2009	4.9	Total Number of Bond Holdings	3
Financement Que MTN 25-04-2012	3.3	Total Number of Other Holdings	11
Canadian T-Bill 07-10-2009	2.4	Total Number of Underlying Holdings	14
Manitoba Prov Mtn 02-05-2012	1.4		

# Scotia Premium T-Bill Fund

## Portfolio Advisor Overview

### Manager Bio



**Romas Budd**  
**Manager Since** 1998-10-1  
**Scotia Asset Management**

Romas is Managing Director, Fixed Income overseeing all fixed income mandates at Scotia Asset Management. Having started in the investment industry in 1984, Romas has been with Scotiabank (and its predecessor companies) since 1990 and is also a member of the Scotia Asset Management Investment Strategy Committee.

Romas has developed a disciplined approach to fixed income investing over his 20 plus years in the business. His incremental approach has yielded long-term success through yield curve positioning, managed credit exposure and excellent security selection.

### 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 Premium T-Bill Fund over the quarter was 0.01% versus the benchmark DEX 60 Day T-bill Index return of 0.00%.

The fund continued to generate income during the third quarter. The Bank of Canada decided to keep the overnight rate at 0.25% after their meetings in July and September. Core inflation has become less of a concern, remaining well below the Bank of Canada's target of 2%.

Over the period, the three-month T-bill rates remained

constant. Due to the anticipation of higher interest rates next summer, the yield of one-year T-bills maturing in September 2010 has begun to rise and this has caused the money market yield curve to steepen.

The portfolio advisor kept the average term to maturity of the fund at approximately 60 days. Going forward, the portfolio advisor intends to continue their strategy of investing in provincial floating rate notes in an effort to improve the fund's current yield.

### 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.

The annual historical yield is based on the seven-day period ended on October 31, 2009 (annualized in the case of effective yield by compounding the seven-day return) and does not represent an actual one-year return.

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.