

# Scotia Global Small Cap Fund

**Benchmark**  
MSCI World Small Cap GR CAD

**Fund Category**  
Global Small/Mid Cap Equity

**Morningstar Rating™**  
★

## Investment Objective

The Fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

## Reasons for Investing

- ▶ Provides global small-cap investment opportunities that are not readily accessible in Canadian markets.
- ▶ Offers diversification to large-cap funds in the global portion of a portfolio.
- ▶ The fund is country and sector neutral, but focused on developed markets to reduce the risk of investing in global small-cap companies.

## Risk Rating



**Time Horizon** 5 years or more

## Fund Essentials

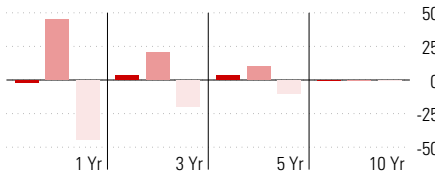
Inception Date	December 2000
Total Assets \$Mil	2.15
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.77
NAV \$ as of 10-31-2009	5.77

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS395
F	No Load	CAD	BNS595

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	3.1	3.2	—
Best	44.9	20.5	10.3	—
Worst	-44.5	-20.0	-9.8	—
No. of Periods	95	71	47	—
% Positive	50.5	66.2	66.0	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-2.7	3.5	10.9	0.2	-23.3	-15.3	-4.5	—
Benchmark	-3.6	7.6	17.2	16.3	-9.9	-6.9	1.5	4.1
Quartile	3	4	4	4	4	4	4	—

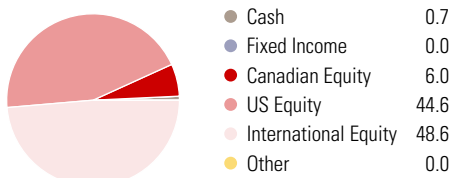
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	—	-17.7	-14.5	16.4	5.5	13.5	16.7	-11.8	-41.4	6.6
Benchmark	20.8	2.5	7.6	-16.6	29.6	15.7	13.2	17.1	-14.2	-27.0	17.9
Quartile	—	—	4	2	3	4	2	4	3	4	4

## Distributions (\$/unit)

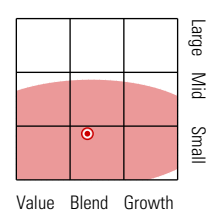
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Total	—	—	—	—	—	—	—	—	—	0.00	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	0.00	—

## Portfolio Analysis as of 09-30-2009

### Composition



### Equity Style



### Market Cap

Market Cap	%
Giant	0.0
Large	0.0
Medium	49.4
Small	34.6
Micro	16.0

### Geographic Allocation

	% Assets
United States	44.6
Japan	13.6
United Kingdom	8.0
Canada	6.8
France	5.5

### Top 5 Sector Allocation

	% Assets
Financials	21.2
Consumer Discretionary	18.6
Industrial	16.6
Information Technology	14.1
Health Care	10.1

### Top Holdings

	% Assets
Washington H. Soul Pattinson	3.0
Standard Motor Products	2.6
AF AB, STOCKHOLM CL B	2.5
Watson Pharmaceuticals Inc.	2.0
Chemring Group PLC	1.8
Transatlantic Holdings, Inc.	1.8
Rubis	1.7
Gamestop Corporation A	1.6
Davita, Inc.	1.6
Daiichikosho Co Ltd	1.6
Tidewater, Inc.	1.5
Nippon Corp	1.5
Tullett Prebon PLC	1.4
Harris Corporation	1.4
Alimentation Couche-Tard Sub Vtg	1.4

### Top Holdings Cont'd

	% Assets
Chubu Shiryō Co Ltd	1.4
Retail Ventures, Inc.	1.4
Chow Sang Sang Holdings Intl	1.2
PH Glatfelter Company	1.2
Ansaldo STS	1.2
Pinnacle Entertainment Inc.	1.2
Temple-Inland, Inc.	1.2
Consty Auxiliar de Ferrocarriles S.A.	1.1
Nelnet, Inc. A	1.1
Faiveley	1.1

Total Number of Portfolio Holdings	175
Total Number of Stock Holdings	174
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	175

# Scotia Global Small Cap Fund

## Portfolio Advisor Overview

### Manager Bio



**Robert J. Anslow**  
**Manager Since** 2007-4-1  
**GlobeFlex Capital, L.P.**

GlobeFlex Capital co-creator Bob Anslow guides the firm's investment management process with 26 years of experience and a recognized position as one of the first to apply systematic portfolio management to international investing.

### 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 Global Small Cap Fund was 5.30% over the quarter versus the S&P/Citigroup Global Extended Market Index return of 10.98% (both fund and index returns are in Canadian dollars).

Global markets continued their run in the third quarter and posted one of their best quarterly returns. The risk appetite of investors continues to increase, as the financial markets appear to be discounting this "V" shaped recovery. The portfolio advisor remains cautious, as much of the revival of global demand is due to stimulus packages with limited shelf life. Smaller cap issues outpaced larger cap stocks over the period, but unfortunately, high beta and low quality deep value stocks continued to outperform.

The portfolio advisor's stock selection in many regions detracted, particularly in Canada, France and the U.K. From an economic sector standpoint, industrials, materials and financials underperformed, while health care and utility stocks were winners.

Corporate earnings improvement has come from operating margins and not from increased revenue, due to companies' improved operating leverage. Perversely, the market has rewarded those companies with the most financial leverage, and is not focused on those companies that are operating efficient businesses, nor those that are starting to see evidence of top-line growth. The portfolio advisor expects that fundamentally stronger companies will start to regain market leadership in the near future.

### Disclosure

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

### 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.