

# Scotia International Value Fund

**Benchmark**  
MSCI EAFE GR CAD

**Fund Category**  
International Equity

**Morningstar Rating™**  
★

## Investment Objective

The fund's objective is to achieve long-term capital growth. It invests primarily in securities of companies located outside of the U.S. and Canada.

## Reasons for Investing

- ▶ Focused exposure to international companies makes the fund an option to provide diversification to portfolios weighted to North American securities.
- ▶ The portfolio advisor uses a disciplined, research-driven process to invest in deeply undervalued stocks.
- ▶ Fundamental research driven investment process results in a concentrated portfolio of approximately 30-50 individual stocks.

## Risk Rating



**Time Horizon** 5 years or more

## Fund Essentials

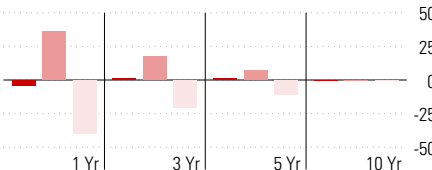
Inception Date	December 2000
Total Assets \$Mil	13.24
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.62
NAV \$ as of 10-31-2009	5.97

## Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS393
Adv	Deferred Sales	CAD	BNS993
Adv	Front End	CAD	BNS793
Adv	Low Load	CAD	BNS893
F	No Load	CAD	BNS593

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.	-3.7	0.9	0.9	—
Best	35.9	17.4	7.4	—
Worst	-40.1	-20.5	-11.0	—
No. of Periods	95	71	47	—
% Positive	47.4	47.9	59.6	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-4.9	8.7	19.2	19.7	-13.2	-11.7	-1.9	—
Benchmark	-0.9	7.8	19.2	13.8	-11.6	-6.0	3.0	-0.7
Quartile	4	1	2	1	2	4	4	—

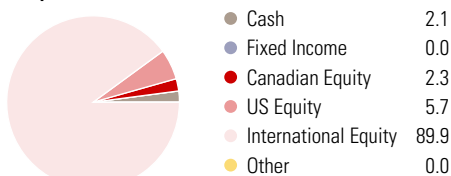
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	—	-18.1	-19.0	9.6	3.9	12.2	17.5	-19.5	-33.1	18.7
Benchmark	20.3	-11.0	-16.3	-16.5	13.8	11.9	11.2	26.4	-5.3	-28.8	11.7
Quartile	—	—	3	3	4	4	2	4	4	3	1

## Distributions (\$/unit)

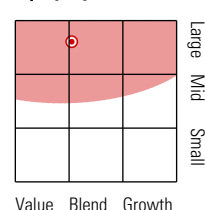
	2006	2007	2008	YTD
Total	—	0.06	0.01	—
Income	—	—	0.01	—
Capital Gains	—	0.06	—	—

## Portfolio Analysis as of 09-30-2009

### Composition



### Equity Style



### Market Cap

Market Cap	%
Giant	30.6
Large	50.6
Medium	18.8
Small	0.0
Micro	0.0

### Geographic Allocation

	% Assets
Japan	16.0
France	15.9
Netherlands	15.1
United Kingdom	14.9
Switzerland	5.8

### Top 5 Sector Allocation

	% Assets
Financials	31.2
Information Technology	17.1
Industrial	14.3
Consumer Discretionary	14.1
Energy	5.7

### Top Holdings

	% Assets
Koninklijke Philips Electronics, N.V.	4.2
Vivendi	3.6
UBS AG	3.4
Euro Aeronautic Defence & Space	3.3
Publicis Groupe	3.1
Crédit Agricole	3.1
Finmeccanica	3.1
ING Groep N.V.	3.0
RenaissanceRe Holdings, Ltd	2.9
Telenor ASA	2.9
BP Plc	2.8
Tyco Electronics, Ltd.	2.8
Omron	2.7
Gazprom OAO (EDR)	2.7
Nokia Corporation	2.7

### Top Holdings Cont'd

	% Assets
Alcatel-Lucent	2.5
HSBC Holdings PLC	2.4
Aviva PLC	2.4
Lagardere Groupe SCA	2.2
Mitsubishi UFJ Financial Group, Inc.	2.2
Cash & Cash Equivalents	2.1
Aegon NV	2.1
Tokyo Electron Ltd.	2.0
Thk	2.0
Sumitomo Mitsui Financial Group, Inc.	2.0

### Total Number of Portfolio Holdings

Total Number of Portfolio Holdings	52
Total Number of Stock Holdings	51
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	52

# Scotia International Value Fund

## Portfolio Advisor Overview

### Manager Bio



**John Paul Goetz**  
**Manager Since** 2009-5-1  
**Pzena Investment Management, Inc.**

John Goetz is a Managing Principal and Co-Chief Investment Officer at the firm. He was Director of Research from 1996 through 2005, responsible for building and training the research team. He currently serves as Co-Portfolio Manager on each of the firm's investment strategies and is a member of the firm's Executive Committee.

Prior to joining Pzena Investment Management in 1996, John held a range of key positions at Amoco Corporation for over 14 years. Before joining Amoco, John had been employed by The Northern Trust Company and Bank of America.

### 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 of Scotia International Value Fund was 19.57% over the quarter versus the benchmark MSCI EAFE Index return of 10.46% (both fund and index returns are in Canadian dollars).

Global economies and financial markets continued to heal through the third quarter of 2009. While developing countries such as China have led the turn, developed countries recently joined the parade of positive economic news.

While valuation spreads are no longer at the extreme witnessed in March, valuations continue to be extremely attractive with an abundance of opportunities as investors remain nervous about the strength of any economic recovery, corporate profits and lagging unemployment.

The fund's strong performance over the quarter was broad based with all sectors contributing positively. The two stocks that contributed most positively to the fund's performance during the quarter were Alcatel Lucent and Credit Agricole. Alcatel Lucent's share price rose after the company reported solid second quarter earnings and management reaffirmed its guidance for the full year. Credit Agricole also contributed to performance as the stock hit a 52-week high in the quarter. The stock rose after the company reported second quarter results significantly ahead of analysts' expectations.

The portfolio advisor remains focused on buying companies that are attractively valued given their long-term earnings power. They believe that their bottom-up approach and intense focus on buying quality businesses at attractive prices will serve investors well over the long term.

### 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.