

Scotia U.S. Value Fund

Benchmark
S&P 500 TR (Bank of Canada) CAD

Fund Category
US Equity

Morningstar Rating™
★★★

Investment Objective

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Reasons for Investing

- ▶ Portfolio construction uses a value approach, resulting in key financial ratios for the portfolio being lower than the overall market.
- ▶ Fundamental research driven investment process results in a concentrated portfolio of approximately 35-45 individual stocks.
- ▶ Individual stocks are sold when the value potential has been realized, there is evidence of deterioration in the fundamentals, or other opportunities are more attractive.

Risk Rating



Time Horizon 5 years or more

Fund Essentials

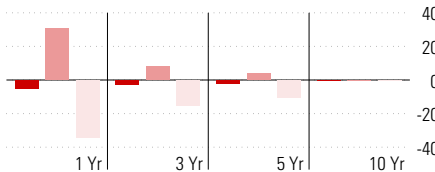
Inception Date	December 2000
Total Assets \$Mil	16.45
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.43
NAV \$ as of 10-31-2009	6.21

Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS391
F	No Load	CAD	BNS591

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.	-5.3	-2.4	-2.4	—
Best	30.9	7.8	4.0	—
Worst	-34.0	-15.0	-10.6	—
No. of Periods	95	71	47	—
% Positive	40.0	39.4	23.4	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-0.4	4.0	6.2	-2.8	-10.1	-9.4	-4.0	—
Benchmark	-1.4	5.3	8.3	-2.8	-10.8	-8.3	-2.1	-4.0
Quartile	1	3	3	3	1	2	3	—

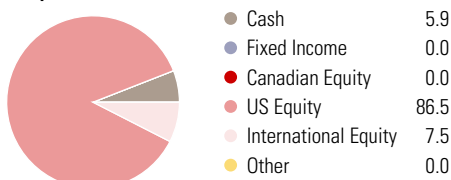
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	—	2.1	-27.0	9.8	-0.1	0.5	8.7	-11.2	-24.4	5.0
Benchmark	14.2	-5.5	-6.4	-22.7	5.2	3.3	1.6	15.7	-10.5	-21.9	3.0
Quartile	—	—	1	3	2	3	3	4	3	2	2

Distributions (\$/unit)

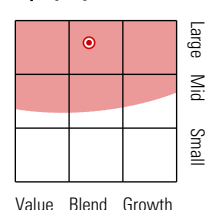
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Total	—	—	—	—	—	—	—	—	—	0.00	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	0.00	—

Portfolio Analysis as of 09-30-2009

Composition



Equity Style



Market Cap

Market Cap	%
Giant	27.3
Large	45.5
Medium	25.3
Small	1.9
Micro	0.0

Geographic Allocation

	% Assets
United States	86.5
Canada	5.9
United Kingdom	3.9
Japan	2.1
Spain	1.6

Top 5 Sector Allocation

	% Assets
Information Technology	21.0
Financials	17.3
Consumer Staples	16.9
Consumer Discretionary	9.8
Health Care	9.7

Top Holdings

	% Assets
Cash & Cash Equivalents	5.9
Apple, Inc.	3.8
International Business Machines Corp	3.5
J.P. Morgan Chase & Co.	3.1
EMC Corporation	3.1
Oracle Corporation	3.0
Baxter International Inc.	2.9
ConAgra Foods, Inc.	2.8
Kellogg Company	2.8
Dominion Resources, Inc.	2.8
Air Products and Chemicals, Inc.	2.7
FPL Group	2.7
Polo Ralph Lauren Corporation	2.7
Adobe Systems Inc.	2.6
Home Depot, Inc.	2.5

Top Holdings Cont'd

	% Assets
Boeing Company	2.5
Hospira, Inc.	2.5
Baker Hughes Inc.	2.4
ConocoPhillips	2.4
Hershey Company	2.4
Northrop Grumman Corporation	2.2
Texas Instruments, Inc.	2.2
Safeway Inc.	2.1
Deere & Company	2.1
Mitsubishi UFJ Financial Group, Inc. ADR	2.1

Total Number of Portfolio Holdings	43
Total Number of Stock Holdings	42
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	43

Scotia U.S. Value Fund

Portfolio Advisor Overview

Manager Bio



Howard Gleicher
Manager Since 2007-4-1
Metropolitan West Capital Management LLC

Howard is CEO and Chief Investment Officer and serves as a portfolio manager with MetWest. Howard co-founded MetWest with Gary Lisenbee and Steven Borowski in 1997.

Previously he served as Principal Portfolio Manager and Investment Policy Committee member at Palley-Needleman Asset Manager, Inc. Prior to this, Howard was a Vice President and Equity Portfolio Manager with Pacific Investment Management Company (PIMCO). Howard has over 22 years of investment experience.

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 of Scotia U.S. Value Fund was 4.10% over the quarter versus the benchmark S&P 500 Index return of 6.84%.

The equity markets in the U.S. continued their advance as investors anticipated an economic rebound, stabilizing credit markets and continued low inflation. Moreover, many businesses entered into this recession in stronger financial positions than in prior downturns and have reacted quickly to declining worldwide demand through cost containment actions. Consequently, reported earnings, while down, have exceeded investors' expectations, helping to propel stock prices.

Relative to its benchmark, the fund benefited from security selection in the energy and consumer discretionary sectors and a moderate underweight

position in the energy sector, which underperformed over the period. The most significant detractors from the fund's relative performance related to stock selection in the financials, consumer staples and utilities sectors, as well as a slight overweight position in the traditionally defensive utilities sector, which lagged the market.

The portfolio advisor feels that the recent market strength is more of a recognition that the long term recession scenario, which seemed possible earlier this year, is much less likely to occur now. The portfolio advisor believes that this type of environment should bode well for the type of companies in which the fund invests. Namely, high-quality businesses with a sustainable revenue stream and commanding market share whose products and services are able to compete on factors other than price.

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.