

Scotia U.S. Value Fund

? Guide to this Document

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 Long term

Fund Essentials

Inception Date	December 2000
Total Assets \$Mil	16.73
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.43
NAV \$ as of 02-28-2010	6.55

Class Options

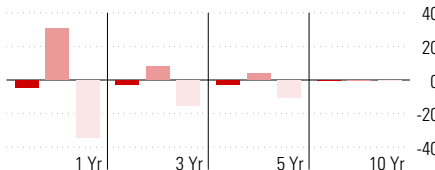
Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS391
F	No Load	CAD	BNS591

Management Company Scotia Asset Management
Telephone 800 268-9269
Web Site www.scotiafunds.com

Benchmark S&P 500 TR (Bank of Canada) CAD
Fund Category US Equity

Morningstar Rating™ ★★★

Performance Analysis as of 02-28-2010



Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	-4.4	-2.8	-2.5	—
Best	30.9	7.8	4.0	—
Worst	-34.0	-15.0	-10.6	—
No. of Periods	99	75	51	—
% Positive	42.4	37.3	21.6	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	2.2	4.1	5.5	30.9	-4.4	-9.3	-4.3	—
Benchmark	1.9	0.8	4.9	27.3	-3.3	-8.9	-2.7	-3.4
Quartile	2	1	2	2	2	2	3	—

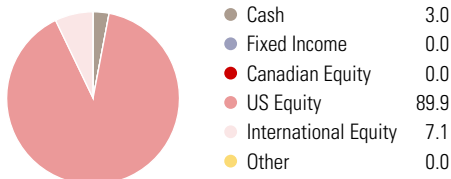
Calendar Year Returns (%)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD
Fund	—	2.1	-27.0	9.8	-0.1	0.5	8.7	-11.2	-24.4	8.5	2.2
Benchmark	-5.5	-6.4	-22.7	5.2	3.3	1.6	15.7	-10.5	-21.9	8.1	0.0
Quartile	—	1	3	2	3	3	4	3	2	3	1

Distributions (\$/unit)

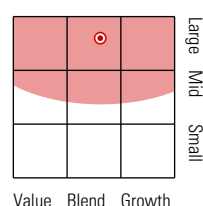
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD
Total	—	—	—	—	—	—	—	—	0.00	—	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	0.00	—	—

Portfolio Analysis as of 01-31-2010

Composition



Equity Style



Market Cap

Market Cap	%
Giant	30.8
Large	44.1
Medium	24.5
Small	0.6
Micro	0.0

Geographic Allocation

	% Assets
United States	89.9
United Kingdom	3.9
Canada	3.0
Japan	1.9
Spain	1.3

Top 5 Sector Allocation

	% Assets
Information Technology	22.1
Consumer Staples	17.1
Financials	14.5
Consumer Discretionary	11.3
Industrial	10.5

Top Holdings

	% Assets
Apple, Inc.	3.8
International Business Machines Corp	3.5
Oracle Corporation	3.2
Kellogg Company	3.0
Cash & Cash Equivalents	3.0
Dominion Resources, Inc.	2.9
EMC Corporation	2.9
Northrop Grumman Corporation	2.9
Baxter International Inc.	2.9
ConAgra Foods, Inc.	2.9
Boeing Company	2.7
J.P. Morgan Chase & Co.	2.7
Air Products and Chemicals, Inc.	2.6
Polo Ralph Lauren Corporation	2.6
Home Depot, Inc.	2.5

Top Holdings Cont'd

	% Assets
Baker Hughes Inc.	2.5
Estee Lauder Companies A	2.5
Adobe Systems Inc.	2.5
ConocoPhillips	2.5
Deere & Company	2.4
Hospira, Inc.	2.4
M & T Bank Corporation	2.3
FPL Group	2.3
The Hershey Company	2.2
SPX Corporation	2.2

Total Number of Portfolio Holdings

Total Number of Portfolio Holdings	45
Total Number of Stock Holdings	44
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	45

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 12-31-2009

The return of Scotia U.S. Value Fund was 2.79% over the quarter versus the benchmark S&P 500 Index return of 3.57%.

With the "great recession" fading in the rear view mirror, investors sharpened their focus on the global economic recovery, while continuing to assume more risk during the fourth quarter. While economic recovery remains subdued, investors were clearly relieved that the coordinated efforts of the world's central banks were successful at avoiding a global economic meltdown and depression.

Over the period, the fund benefited from strong security selection in the consumer staples and industrials sectors,

while stock selection within the financials and consumer discretionary sectors detracted from the fund's performance.

The portfolio advisor feels that both the U.S. and global economies are in the process of returning to normal and will resume a sustainable growth trajectory. However, in their opinion, the recovery will follow the shape of a square root sign, that is, a sharp decline followed by a period of positive but moderate growth. In the portfolio advisor's opinion, most corporations are in better financial shape than they were during previous downturns and thus they believe that corporate profitability may be stronger than investors expect going into the new year.

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.