

Scotia Nasdaq Index Fund

Benchmark
NASDAQ 100 PR CAD

Fund Category
Science & Technology Equity

Morningstar Rating™
★★★

Investment Objective

The fund's objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index. It invests primarily in derivatives that are linked to the performance of the Nasdaq 100 Index, and in cash and money market instruments.

Reasons for Investing

- ▶ Offers fully invested niche exposure to the U.S. equity market.
- ▶ Enables investors to track the performance of the Nasdaq 100 Index through the purchase of futures contracts.
- ▶ Cost efficient investment to gain targeted U.S. equity market exposure within a registered account.

Risk Rating



Time Horizon 5 years or more

Fund Essentials

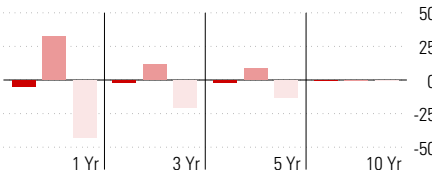
Inception Date	December 2000
Total Assets \$Mil	9.93
Min. Initial Inv.(\$)	1,000
Min. Additional Inv.(\$)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	1.01
NAV \$ as of 10-31-2009	4.04

Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS397
F	No Load	CAD	BNS597

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.	-5.0	-1.6	-1.6	—
Best	32.4	11.2	8.7	—
Worst	-43.0	-20.5	-13.4	—
No. of Periods	95	71	47	—
% Positive	45.3	46.5	34.0	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-2.1	4.2	8.2	10.8	-8.8	-3.3	-0.9	—
Benchmark	-2.5	3.8	7.9	10.6	-8.1	-2.6	-0.2	-7.4
Quartile	3	2	3	3	2	2	2	—

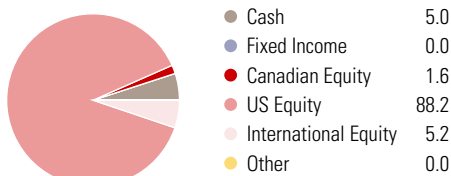
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	—	-28.7	-38.5	21.2	1.8	-2.5	6.0	0.0	-29.5	21.9
Benchmark	93.2	-34.4	-28.5	-38.1	22.0	2.8	-1.7	6.7	0.6	-28.0	21.1
Quartile	—	—	2	2	3	1	3	3	3	2	3

Distributions (\$/unit)

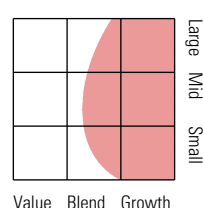
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Total	—	—	—	—	—	—	—	—	—	0.00	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	0.00	—

Portfolio Analysis as of 09-30-2009

Composition



Equity Style



Market Cap

Market Cap	% Assets
Giant	38.6
Large	20.3
Medium	19.6
Small	12.9
Micro	8.6

Geographic Allocation

Geography	% Assets
United States	88.2
Canada	6.6
Israel	1.6
China	1.2
Singapore	0.3

Top 5 Sector Allocation

Sector	% Assets
Information Technology	52.4
Health Care	14.9
Consumer Discretionary	13.4
Financials	8.2
Industrial	5.7

Top Holdings

Company	% Assets
Microsoft Corporation	6.9
Cash & Cash Equivalents	5.0
Apple, Inc.	4.9
Cisco Systems, Inc.	4.0
Google, Inc.	3.6
Intel Corporation	3.3
Oracle Corporation	3.1
Qualcomm, Inc.	2.2
Amgen, Inc.	1.8
Gilead Sciences, Inc.	1.3
Amazon.com, Inc.	1.2
Research in Motion, Ltd.	1.1
Teva Pharmaceutical Ind, ADR	1.1
Comcast Corporation A	1.0
eBay, Inc.	0.9

Top Holdings Cont'd

Company	% Assets
Dell, Inc.	0.9
The Directv Group, Inc	0.8
Celgene Corporation	0.8
Yahoo, Inc.	0.7
Costco Wholesale Corporation	0.7
Charles Schwab Corporation	0.7
News Corporation A	0.6
Express Scripts	0.6
CME Group Inc A	0.6
Automatic Data Processing	0.6

Metric	Value
Total Number of Portfolio Holdings	2800
Total Number of Stock Holdings	2798
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Underlying Holdings	2800

Scotia Nasdaq Index Fund

Portfolio Advisor Overview

Manager Bio



Cameron Winser
Manager Since 2007-10-1
Scotia Asset Management

Cameron has been the Director of U.S. Equities since joining Scotia Asset Management in 2007. He has extensive experience with U.S. and Canadian equities and his disciplined method of investing combines quantitative, technical and fundamental analysis.

Prior to joining Scotia Asset Management, Cameron worked at RBC for eleven years. Positions which allowed Cameron to acquire experience include Derivatives Analyst & Trader, Quantitative Analyst and most recently, Portfolio Manager, North American Equities.

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 Nasdaq Index Fund over the quarter was 7.13% versus the benchmark Nasdaq 100 Index return of 7.11% (both fund and index returns are in Canadian dollars).

During the quarter, the U.S. dollar depreciated relative to the Canadian dollar, detracting from the fund's total return in Canadian dollars. The three top performing economic sectors were the industrials, telecom services and health care sectors. Some of the household names that significantly outperformed the index were online travel company Expedia, Starbucks and Apple. Some recognizable names which significantly underperforming the index during the quarter were Research in Motion,

Oracle and Microsoft.

The idea that economic activity has improved now seems widely accepted by the majority of market participants. The portfolio advisor believes we are now in the early stages of wind down for some stimulus measures and programs designed to aid the economy and many large financial institutions. Many economic signals regarding the U.S. economy continue to be positive, specifically related to housing. Housing affordability is just off an all time high and house prices have been steadily rising off the April 2009 lows, according to the S&P Case-Shiller Composite.

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.