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Scotia Global Climate Change Fund

Guide to this Document

Benchmark	Fund Category	Morningstar Rating™
MSCI World GR CAD	Global Equity	★

Investment Objective

The fund's objective is to achieve long-term capital growth. It invests primarily in a diversified portfolio of equity securities of companies located around the world that are expected to profit from direct or indirect actions taken by such companies to mitigate the impact of climate change on the environment.

Reasons for Investing

- Offers broad diversification on a global basis, typically holding 40-70 equities of both growth and value companies across all capitalizations.
- Built around nine climate themes, the fund seeks out companies that are positioned to benefit from the effects of climate change.
- The fund's portfolio advisor is recognized as a global leader in sustainable investing.

Risk Rating

Low Medium High

Time Horizon Long term

Fund Essentials

Inception Date	February 2008
Total Assets $Mil	7.40
Min. Initial Inv.($)	500
Min. Additional Inv.($)	50
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.76
NAV $ as of 12-31-2011	6.55

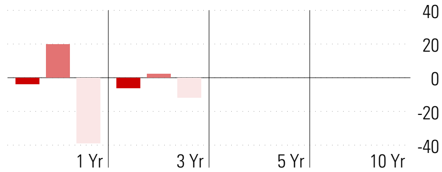
Series Options

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS319
Adv	Deferred Sales	CAD	BNS919
Adv	Front End	CAD	BNS719
Adv	Low Load	CAD	BNS819
F	No Load	CAD	BNS519

Portfolio Manager	Sophie Horsfall F&C Management Limited

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

Performance Analysis as of 12-31-2011

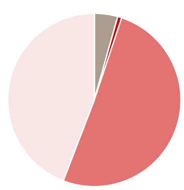


Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	-3.7	-6.2	—	—
Best	19.9	2.1	—	—
Worst	-39.0	-11.6	—	—
No. of Periods	35	11	—	—
% Positive	51.4	9.1	—	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-2.7	4.0	-12.1	-13.4	-4.7	-0.6	—	—
Benchmark	0.1	5.3	-5.1	-2.7	1.8	4.8	-4.4	-0.4
Quartile	4	3	4	4	4	4	—	—

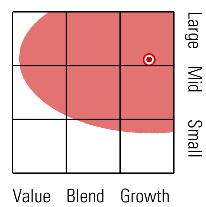
Calendar Year Returns (%)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	—	—	—	—	—	—	—	—	8.0	4.9	-13.4
Benchmark	-11.3	-20.4	9.4	6.9	7.3	20.2	-7.1	-25.4	11.1	6.5	-2.7
Quartile	—	—	—	—	—	—	—	—	4	3	4
Distributions ($/unit)											
Total	—	—	—	—	—	—	—	—	—	—	0.16
Income	—	—	—	—	—	—	—	—	—	—	0.16
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

Portfolio Analysis as of 11-30-2011



Composition	% Assets
Cash	4.4
Fixed Income	0.0
Canadian Equity	0.8
US Equity	50.7
International Equity	44.2
Other	0.0

Equity Style



Market Cap	%
Giant	15.8
Large	36.1
Medium	38.1
Small	9.2
Micro	0.9

Top Ten Holdings	% Assets
IHS, Inc. A	3.6
Praxair, Inc.	3.4
Air Products & Chemicals Inc	3.3
IntercontinentalExchange, Inc.	3.3
Informatica Corporation	3.3
BG Group	3.2
Norfolk Southern Corporation	3.1
Intertek Group PLC	3.0
United Utilities Group PLC	3.0
Bridgestone Corporation	3.0
Total Number of Portfolio Holdings	**57**
Total Number of Stock Holdings	56
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Underlying Holdings	57

Top 5 Sector Allocation	% Assets
Industrial	42.2
Materials	15.7
Information Technology	13.8
Utilities	13.1
Consumer Discretionary	5.4

Geographic Allocation	% Assets
United States	50.7
Japan	13.0
United Kingdom	10.0
Canada	5.1
China	3.6

ScotiaFunds®

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Portfolio Advisor Overview

Manager Bio

Sophie Horsfall
Manager Since 2008-12-1
F&C Management Limited

Sophie is a Director with the global equities team and is the lead manager of the Stewardship International Fund offered in the U.K and other European countries. Prior to joining F&C in December 2001, Sophie was a portfolio manager with Kleinwort Benson Investment Management, with specific responsibility for the Asia ex-Japan region and a number of global and international equity mandates.

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 12-31-2011

Global equity markets ended the period strongly, despite another volatile quarter. Better-than-expected U.S. economic data calmed fears over a second recession and slowing inflation in China allowed for a loosening of monetary policy. In Europe, Scandinavian equities posted solid gains. Meanwhile, Portugal, and to a lesser extent Italy and Spain, struggled. European leaders failed to agree over a coherent strategy for addressing the ongoing debt crisis in Europe, and the uncertainty over the future of the eurozone continued to weigh on market sentiment.
Over the quarter, the Fund returned 4.0%, underperforming the benchmark, which returned 5.2%. Most of the underperformance can be attributed to a lack of exposure to the traditional energy sector, which posted a positive return over the quarter. Sector allocation negatively contributed to performance, largely driven by the Fund's underweight positions in consumer staples and health care.
We believe uncertainty and volatility will persist, as economic concerns continue to dominate the investment environment. The inability of political leaders to act decisively has been disappointing and there is still risk of economic dislocation. We now believe that the risk of a European, and perhaps global, recession has increased. Going forward, we are focused on high-quality, long-term investments with a strong structural backdrop, a high level of visibility, strong balance sheets and a resilience to economic conditions. We have also minimized our exposure to solar and wind investments, given their reliance on government subsidies, the oversupply in the industries and increasing Asian competition.

Disclosure

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IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are available from Scotia Securities Inc., a corporate entity separate from, although wholly-owned by, The Bank of Nova Scotia, and other dealers. ScotiaFunds are managed by Scotia Asset Management L.P., a limited partnership wholly-owned directly and indirectly 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 L.P., 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.