

# Scotia Money Market Fund - Premium Class

**Guide to this Document**

**Benchmark**  
CIBC WM 91 Day Treasury Bill  
CAD

**Fund Category**  
Canadian Money Market

**Morningstar Rating™**  
★★★★★

## Investment Objective

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

## Reasons for Investing

- ▶ Safety through diversification by investing in multiple high quality securities with multiple maturity terms and from multiple issuers.
- ▶ Premium class units are offered with a lower management fee compared to Class A units, offering the potential for a higher yield and monthly income.
- ▶ Offers highly liquid, short-term safety by investing in securities with an average term to maturity of between 30 and 90 days.

## Risk Rating



**Time Horizon** Short Term

## Fund Essentials

Inception Date	November 2008
Total Assets \$Mil	2,297.59
Min. Initial Inv.(\$)	100,000
Min. Additional Inv.(\$)	500
Income Distribution	Monthly
Capital Distribution	Annually
MER %	0.35
NAV \$ as of 12-31-2011	10.00

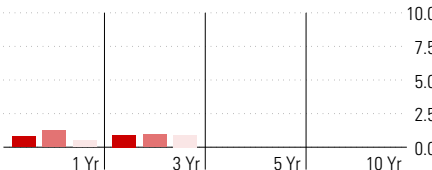
## Series Options

Series	Load Structure	Currency	Fund Code
Prem	No Load	CAD	BNS257

**Portfolio Manager** Bill Girard  
Goodman & Company,  
Investment Counsel

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

## Performance Analysis as of 12-31-2011



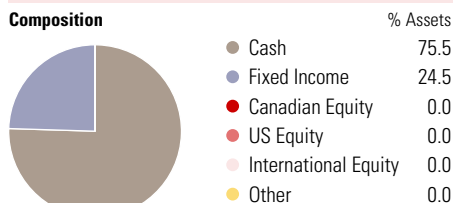
Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	0.8	0.9	—	—
Best	1.3	0.9	—	—
Worst	0.5	0.9	—	—
No. of Periods	26	2	—	—
% Positive	100.0	100.0	—	—

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	0.09	0.25	0.49	0.99	0.80	0.90	—	—
Benchmark	0.08	0.21	0.47	0.96	0.66	0.62	1.84	2.30
Quartile	1	1	1	1	1	1	—	—

Calendar Year Returns (%)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	—	—	—	—	—	—	—	—	1.09	0.62	0.99
Benchmark	4.82	2.36	2.89	2.27	2.48	3.84	4.29	3.13	0.52	0.37	0.96
Quartile	—	—	—	—	—	—	—	—	1	1	1

Distributions (\$/unit)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	—	—	—	—	—	—	—	0.0243	0.1085	0.0614	0.0987
Income	—	—	—	—	—	—	—	0.0243	0.1085	0.0614	0.0987
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

## Portfolio Analysis as of 11-30-2011



Fixed Income Style	Credit Quality	%
High	High	27.0
Med	Medium	19.1
Low	Low	0.0
	NR/NA	53.9

**Top Ten Holdings**

	% Assets
Alberta Prov Medium Term Nt 01-06-2014	7.0
Bank of Montreal 10-12-2012	4.5
CIBC 08-04-2013	4.0
Royal Bank Of Canada FRN 26-09-2013	3.5
Great Toronto Arpts Auth 6.25% (ST)	2.8
Caterpillar Finl Svcs 4.94% 01-06-2012	2.6
Ontario Prov Cda 28-10-2014	2.2
National Bank Of Canada FRN 10-10-2012	2.1
TELUS Corporation 4.5% 15-03-2012	2.1
Toronto Dominion Bank FRN 20-09-2012	2.0
<b>Total Number of Portfolio Holdings</b>	<b>126</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	8
Total Number of Other Holdings	118
Total Number of Underlying Holdings	126

**Cash Breakdown**

	Cash (%)
Corporate Cash	43.6
Liquid Bonds	47.4
Treasury Bills	4.3
General Cash	4.7

**Fixed Income Breakdown**

	% Bond
Government Bonds	9.2
Corporate Bonds	15.4
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	75.5
Asset Backed Securities	0.0

# Scotia Money Market Fund - Premium Class

## Portfolio Advisor Overview

### Manager Bio



**Bill Girard**

**Manager Since** 2008-11-24

**Goodman & Company, Investment Counsel**

Bill Girard is Vice President & Portfolio Manager at Goodman & Company, Investment Counsel Ltd., the portfolio sub-advisor of the fund. Prior to joining GCICL, Bill was a member of the fixed income team at Scotia Asset Management (SAM) and was responsible for credit risk across all managed client portfolios. Bill has both a Bachelor of Science and a Bachelor of Commerce degree from the University of Windsor, as well as an MBA from the University of Miami, graduating Beta Gamma Sigma. He also holds the Chartered Financial Analyst designation and is a past director of the Toronto CFA Society.

### 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 12-31-2011

The financial crisis in Europe dominated headlines throughout the fourth quarter, as economists moved to lower forecasts for global economic growth. Fears of a sovereign default spread throughout the eurozone. Bond yields were pushed significantly higher in many European countries, some leaders were forced to step aside and strict austerity measures were instituted to secure needed bailout funding. Investors sought out less risky assets, driving down bond yields in more stable countries like Canada, the U.S. and Germany. Against this backdrop, Scotia Money Market Premium Class Fund returned 0.09% over the quarter, versus the benchmark DEX 60-Day T-Bill Index, which returned 0.23%. The Canadian money market yield curve (0-1 year) began to steepen during the last quarter of 2011. The Bank of Canada held several Treasury bill (T-bill) auctions outside of its scheduled dates, in order to meet the higher demand for short T-bills from domestic and foreign

investors. This caused the short end of the money market curve to rally.

This provided an opportunity to purchase some longer-term product for the Fund. Initially, some three-month product, but as spreads widened, the Fund moved into some attractive six-month and one-year investments. At the same time, some small purchases in the one-month area were made to maintain liquidity. The Fund continues to hold a strong position in floating rate notes. The Fund's yield held steady for the quarter at 1.32%. The average term of the Fund continues to be neutral within the 50- to 70-day range. The Bank of Canada appears poised to maintain overnight rates at 1% for some time, as it keeps a watchful eye on the impact of the global economic slowdown. At the end of the quarter, 60.7% of the Fund was invested in commercial paper, 27.8% was in bank notes, 9.9% was in provincials and 1.6% was in municipals.

### 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.

The annual historical yield is based on the seven-day period ended on March 31, 2010 (annualized in the case of effective yield by compounding the seven-day return) and does not represent an actual one-year return.

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.