

Scotia INNOVA Balanced Growth Portfolio

Benchmark
Morningstar CAN Bal Gbl 60/40 CAD

Fund Category
Global Neutral Balanced

Morningstar Rating™
N/A

Investment Objective

The Portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

Reasons for Investing

- ▶ Exposure to a highly diverse range of opportunities provides the potential for superior growth and income as well as the potential for volatility reduction.
- ▶ Each portfolio is designed using an investment process which is institutional in its detail and rigour.
- ▶ Exclusive investment management through a unique blend of Scotia Cassels private client funds and ScotiaMcLeod Pinnacle Program funds.

Risk Rating



Time Horizon 5 years or more

Fund Essentials

Inception Date	January 2009
Total Assets \$Mil	143.37
Min. Initial Inv.(\$)	50,000
Min. Additional Inv.(\$)	100
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.01
NAV \$ as of 10-31-2009	11.59

Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS332

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

Performance Analysis as of 10-31-2009



Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-1.2	3.1	10.6	—	—	—	—	—
Benchmark	-0.7	5.3	8.1	5.1	-0.3	-0.7	2.1	0.3
Quartile	3	4	3	—	—	—	—	—

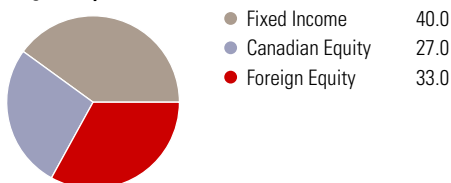
Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	—	—	—	—	—	—	—	—	—	—	—
Benchmark	6.6	-4.0	-4.5	-6.0	3.2	5.1	0.5	14.3	-6.5	-3.3	1.2
Quartile	—	—	—	—	—	—	—	—	—	—	—

Distributions (\$/unit)

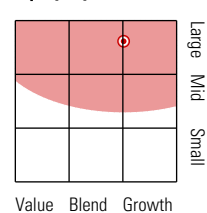
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Total	—	—	—	—	—	—	—	—	—	—	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

Portfolio Analysis as of 09-30-2009

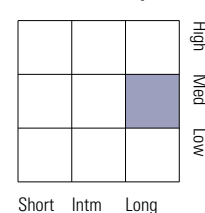
Target Composition



Equity Style



Fixed Income Style



Top 5 Sector Allocation

	% Assets
Financials	27.4
Energy	15.2
Information Technology	10.0
Materials	9.5
Industrial	8.3

Fixed Income Breakdown

	% Bond
Government Bonds	44.5
Corporate Bonds	33.4
Other Bonds	0.0
Mortgage Backed Securities	4.7
ST Investments (Cash & Other)	16.8
Asset Backed Securities	0.6

Top Holdings

	% Assets
Scotia Canadian Income	33.2
Scotia Cassels Canadian Equity	22.4
Pinnacle International Equity	13.0
Pinnacle American-Core Plus Bond	5.8
Pinnacle Global Equity	5.8
Scotia Cassels US Equity	5.3
Pinnacle American Value Equity	5.3
Pinnacle Canadian Small Equity	3.9
Cash & Cash Equivalents	2.9
Pinnacle Global Real Estate Securities	2.4

Total Number of Portfolio Holdings	10
Total Number of Stock Holdings	368
Total Number of Bond Holdings	432
Total Number of Other Holdings	58
Total Number of Underlying Holdings	858

Scotia INNOVA Balanced Growth Portfolio

Portfolio Advisor Overview

Manager Bio



John Vermeer
Manager Since 2009-11-1
Scotia Asset Management

John has worked in the financial industry for over 24 years and joined Scotia Asset Management in 1996. He is currently a member of the U.S. Equity Team and is responsible for the U.S. Equity portfolio for high net worth private client investors. John has extensive investment experience in North American and international markets on behalf of mutual fund, private client, trust and institutional clients, including managing U.S. and European mutual fund portfolios.

John obtained a MBA from Queen's University and also holds the Chartered Financial Analyst (CFA) designation.

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

Scotia INNOVA Balanced Growth Portfolio, launched on January 19, had a return of 6.15% for the period versus the 6.93% return of the blended benchmark consisting of 40% DEX Universe Bond, 27% S&P/TSX Composite and 33% MSCI World indices.

During the quarter, the Bank of Canada maintained a very supportive monetary policy by keeping the overnight lending rate close to zero. Over the period, corporate bonds continued to outperform and the DEX Universe Bond Index posted a return of 2.7%.

The S&P/TSX Composite Index was up 10.6% over the quarter, with only the consumer staples and health care

sectors posting negative returns over the period. The S&P 500 Index ended the quarter up 6.8% in Canadian dollar terms, while the MSCI EAFE Index, representing international equities, was up more than 10.5% in Canadian dollar terms.

Cassels U.S. Equity Fund had the smallest positive contribution to the portfolio's performance, while Cassels Canadian Equity Fund had the largest positive impact on the portfolio's performance during the quarter. The appreciation of the Canadian dollar against the U.S. dollar negatively impacted the performance of Cassels U.S. Equity Fund over the period.

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.