

# 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	122.75
Min. Initial Inv.(\$)	50,000
Min. Additional Inv.(\$)	100
Income Distribution	Annually
Capital Distribution	Annually
MER %	2.01
NAV \$ as of 09-30-2009	11.73

Class	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS332

Management Company Scotia Securities Inc.  
 Telephone 800 268-9269  
 Web Site [www.scotiafunds.com](http://www.scotiafunds.com)

**Performance Analysis** as of 09-30-2009

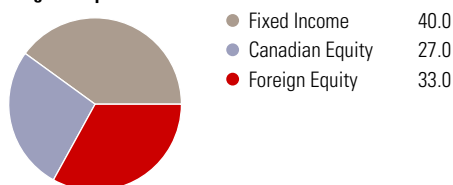
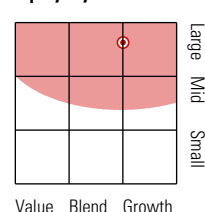
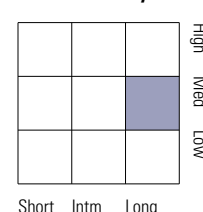

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	2.2	6.2	16.5	—	—	—	—	—
Benchmark	1.0	4.4	9.7	6.2	-1.0	0.5	2.1	0.7
Quartile	3	3	2	—	—	—	—	—

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	1.8
Quartile	—	—	—	—	—	—	—	—	—	—	—

**Distributions (\$/unit)**

Total	—	—	—	—	—	—	—	—	—	—	—
Income	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—

**Portfolio Analysis** as of 08-31-2009

**Target Composition**

**Equity Style**

**Fixed Income Style**

**Top 5 Sector Allocation**

	% Assets
Financials	27.9
Energy	15.0
Information Technology	9.9
Materials	9.2
Industrial	8.3

**Fixed Income Breakdown**

	% Bond
Government Bonds	44.3
Corporate Bonds	35.2
Other Bonds	0.0
Mortgage Backed Securities	4.9
ST Investments (Cash & Other)	15.0
Asset Backed Securities	0.6

**Top Holdings**

	% Assets
Scotia Canadian Income	33.2
Scotia Cassels Canadian Equity	22.2
Pinnacle International Equity	13.1
Pinnacle American-Core Plus Bond	5.9
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

<b>Total Number of Portfolio Holdings</b>	<b>10</b>
Total Number of Stock Holdings	757
Total Number of Bond Holdings	432
Total Number of Other Holdings	61
Total Number of Underlying Holdings	1250

# Scotia INNOVA Balanced Growth Portfolio

## Portfolio Advisor Overview

### Manager Bios

#### Scotia Cassels Investment Counsel

**Manager Since** 2009-1-19

### 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 06-30-2009

Scotia INNOVA Balanced Growth Portfolio had a return of 9.73% for the quarter versus the 9.96% return of the blended benchmark consisting of 40% DEX Universe Bond, 27% S&P/TSX Composite and 33% MSCI World indices.

At the beginning of the quarter, the Bank of Canada reduced its overnight rate by another 25 basis points and later suggested that the overnight rate would remain unchanged until the second quarter of 2010. Over the period, corporate bonds spreads continued to narrow and the DEX Universe Bond Index posted a return of 1.25%.

The S&P/TSX Composite Index was up 19.97% over the

quarter, with nine of the ten economic sectors posting positive returns. The S&P 500 Index ended the quarter up 7.01% in Canadian dollar terms, while the MSCI EAFE Index, representing international equities, was up more than 16% in Canadian dollar terms.

Pinnacle American Value Equity Fund detracted from the portfolio's performance, while Cassels Canadian Equity Fund contributed to the portfolio's performance during the quarter. Stock selection within the financials sector negatively impacted the performance of Pinnacle American Value Equity Fund, while sector allocation positively impacted the performance of Cassels Canadian Equity Fund.

### Disclosure

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### IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are offered by Scotia Securities Inc., 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 Securities Inc., 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.

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### Disclosure

Morningstar ratings are overall ratings reflecting risk adjusted performance as of September 30, 2009. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the fund's 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information about this rating, contact Morningstar Inc. at 1 800 531-4725 or go to [www.morningstar.ca](http://www.morningstar.ca)