

ScotiaFunds™ Simplified Prospectus

Class A and Class F units (unless otherwise noted) and Class I and Premium Class units where noted

Cash Equivalent Funds

Scotia T-Bill Fund (Class A units only)
Scotia Premium T-Bill Fund (Class A units only)
Scotia Money Market Fund (Class A, Class I and Premium Class units available)
Scotia U.S. \$ Money Market Fund (Class A units only)

Income Funds

Scotia Mortgage Income Fund (Class I units available)
Scotia Canadian Income Fund (Class I units available)
Scotia U.S. \$ Bond Fund
Scotia Global Bond Fund (Class I units available)

Balanced Funds

Scotia Diversified Monthly Income Fund
Scotia Canadian Balanced Fund
Scotia Canadian Tactical Asset Allocation Fund

Equity Funds

Canadian Equity Funds

Scotia Canadian Dividend Fund (Class I units available)
Scotia Canadian Blue Chip Fund (Class I units available)
Scotia Canadian Growth Fund (Class I units available)
Scotia Canadian Small Cap Fund (Class I units available)
Scotia Resource Fund (Class I units available)

U.S. Equity Funds

Scotia U.S. Growth Fund (Class I units available)
Scotia U.S. Value Fund (Class I units available)

International Equity Funds

Scotia International Value Fund (Class I units available)
Scotia European Fund (Class I units available)
Scotia Pacific Rim Fund (Class I units available)
Scotia Latin American Fund (Class I units available)

Global Equity Funds

Scotia Global Growth Fund (Class I units available)
Scotia Global Small Cap Fund (Class I units available)
Scotia Global Opportunities Fund (Class I units available)
Scotia Global Climate Change Fund (Class I units available)

Index Funds

Scotia Canadian Bond Index Fund (Class I units available)
Scotia Canadian Index Fund (Class I units available)
Scotia U.S. Index Fund (Class I units available)
Scotia CanAm® Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund (Class I units available)

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income & Modest Growth Portfolio
Scotia Selected Balanced Income & Growth Portfolio
Scotia Selected Moderate Growth Portfolio
Scotia Selected Aggressive Growth Portfolio

Scotia Partners Portfolios®

Scotia Partners™ Income & Modest Growth Portfolio
Scotia Partners Balanced Income & Growth Portfolio
Scotia Partners Moderate Growth Portfolio
Scotia Partners Aggressive Growth Portfolio

Scotia Vision™ Portfolios

Scotia Vision Conservative 2010 Portfolio (Class A units only)
Scotia Vision Aggressive 2010 Portfolio (Class A units only)
Scotia Vision Conservative 2015 Portfolio (Class A units only)
Scotia Vision Aggressive 2015 Portfolio (Class A units only)
Scotia Vision Conservative 2020 Portfolio (Class A units only)
Scotia Vision Aggressive 2020 Portfolio (Class A units only)
Scotia Vision Conservative 2030 Portfolio (Class A units only)
Scotia Vision Aggressive 2030 Portfolio (Class A units only)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The ScotiaFunds and the units they offer under this simplified prospectus are not registered with the U.S. Securities and Exchange Commission. Units of the funds may be offered and sold in the United States only in reliance on exemptions from registration.

November 3, 2008



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I n t r o d u c t i o n

In this document, *we*, *us*, and *our* refer to Scotia Securities Inc. *Scotiabank Group* includes The Bank of Nova Scotia (Scotiabank), Montreal Trust, National Trust, The Bank of Nova Scotia Trust Company (Scotiastrust) and Scotia Capital Inc.

This simplified prospectus contains selected important information to help you make an informed investment decision about the ScotiaFunds and to understand your rights as an investor.

It's divided into two parts. The first part, from pages 1 to 107, contains specific information about each of the funds. The second part, from pages 108 to 127, contains general information that applies to all of the funds.

Additional information about each fund is available 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. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed in it.

You can get a copy of the funds' annual information form, financial statements and management reports of fund performance at no charge by calling 1 800 268-9269 (416 750-3863 in Toronto) for English, or 1 800 387-5004 for French, or by asking your mutual fund representative. You'll also find these documents on the Internet at www.scotiabank.com.

These documents and other information about the funds are also available at www.sedar.com.

Specific information about each of the mutual funds described in this document

The ScotiaFunds is a family of 56 mutual funds in six categories: Cash Equivalent, Income, Balanced, Equity (including Canadian, U.S., International and Global Equity Funds), Index and Scotia Portfolios (including Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios). All of the ScotiaFunds offered for sale under this simplified prospectus offer Class A units. Some of the funds also offer Class F units, Scotia Private Client units, Advisor Class units, Premium Class units and Class I units. Only Class A, Class F, Class I and Premium Class units are offered for sale under this simplified prospectus.

The classes have different management fees and are intended for different investors. Class A units are available to all investors. Class F units are generally available only to investors who have fee-based accounts with ScotiaMcLeod, a division of Scotia Capital Inc. We may make Class F units available to other investors from time to time. Scotia Private Client units are for investors who have signed a discretionary investment management agreement with Scotia Cassels Investment Counsel Limited or Scotiitrust. Advisor Class units are available through authorized dealers and brokers, including ScotiaMcLeod. Premium Class units are only available to investors who make the required minimum investment, as determined by us from time to time. Class I units are available only to eligible institutional investors and other qualified investors. You'll find more information about the different classes of units on page 115.

About the fund descriptions

On the following pages, you'll find detailed descriptions of each of the funds to help you make your investment decisions. Here's what each section of the fund descriptions tells you:

Fund details

This section gives you some basic information about each fund, such as its start date and its eligibility for registered plans, including Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Registered Education Savings Plans (RESPs) and Tax-Free Savings Accounts (TFSA).

All of the funds are, or are expected to be, eligible investments for registered plans. In certain cases, we may restrict purchases of units of certain funds by certain registered plans.

What does the fund invest in?

This section tells you the fund's fundamental investment objectives and the strategies it uses in trying to achieve those objectives. Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

About derivatives

Derivatives are investments that derive their value from the price of another investment or from anticipated movements in interest rates, currency exchange rates or market indexes.

Derivatives are usually contracts with another party to buy or sell an asset at a later time and at a set price. Examples of derivatives are options, forward contracts and swaps.

- *Options* generally give holders the right, but not the obligation, to buy or sell an asset, such as a security or currency, at a set price and a set time. Option holders normally pay the other party a cash payment, called a premium, for agreeing to give them the option.
- *Forward contracts* are agreements to buy or sell an asset, such as a security or currency, at a set price and a set time. The parties have to complete the deal, or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes.
- *Swaps* are agreements between two or more parties to exchange principal amounts or payments based on returns on different investments.

A fund can use derivatives as long as it uses them in a way that's consistent with the fund's investment objectives and with Canadian securities regulations. All of the funds may use derivatives to hedge their investments against losses from changes in currency exchange rates, interest rates and stock market prices. Some of the funds may also use derivatives to gain exposure to financial markets or to invest indirectly in securities or other assets. This can be less expensive than buying securities or assets directly.

When a fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

Investing in other mutual funds

The Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios provide investors with professionally managed solutions designed to suit their investment profile. Unlike most mutual funds, which invest in individual securities, each of the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios invests in a mix of other mutual funds. The mutual funds included in the Scotia Partners Portfolios are offered by some of the most prominent mutual fund families in Canada, including the ScotiaFunds. The mutual funds from the ScotiaFunds family make up a large portion of the investments of the Scotia Selected Portfolios and the Scotia Vision Portfolios.

The Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios give you:

- strategic asset allocation
- geographic diversification
- portfolio advisor style diversification
- ongoing oversight of the asset mix and fund selection
- ongoing portfolio rebalancing to ensure that the appropriate long-term asset mix is maintained.

The selection of underlying funds for the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios is subject to a multi-step investment process.

Prior to recommending a fund to the portfolio advisor of the Scotia Partners Portfolios for inclusion in or removal from the Scotia Partners Portfolios, we conduct a thorough review of appropriate third-party mutual funds and the ScotiaFunds. When recommending a mutual fund to the portfolio advisor, we consider the asset mix of each of the Scotia Partners Portfolios which are designed for different types of investors with unique risk/reward profiles. Each Scotia Partners Portfolio is diversified by asset class, capitalization, geography and investment style. We monitor the funds regularly and recommendations are based on the funds' quantitative and qualitative attributes, and the diversification benefits that they bring to each of the Scotia Partners Portfolios. The ultimate decision about which funds to buy or sell and when to buy and sell is the responsibility of the portfolio advisor of the Scotia Partners Portfolios.

The creation of the Scotia Selected Portfolios began with a thorough review of the ScotiaFunds lineup. Using a similar methodology as the Scotia Partners Portfolios, the funds that are recommended to the portfolio advisor for inclusion in or removal from the Scotia Selected Portfolios undergo rigorous quantitative and qualitative analysis that includes an in-depth understanding of the portfolio advisors responsible for the funds. Each Scotia Selected Portfolio is managed against an asset mix, and is diversified by asset class, market

capitalization, geography and investment style. The Scotia Selected Portfolios may also include a combination of active and passive investment strategies. We monitor the Scotia Selected Portfolios regularly, and like the Scotia Partners Portfolios, the ultimate decision about which funds to buy or sell and when to buy and sell is the responsibility of the portfolio advisor of the Scotia Selected Portfolios.

Similar to the Scotia Selected Portfolios, the creation of the Scotia Vision Portfolios began with an analysis of the available funds and their portfolio advisors. The asset allocation for each fund was professionally designed to be diversified on multiple levels to emphasize a balanced total return while minimizing risk. In addition, each Scotia Vision Portfolio is monitored on an ongoing basis to ensure appropriate diversification. Its asset allocation strategy is professionally adjusted to become more conservative as its target date approaches. The Scotia Vision Portfolios are ideally suited to investors who have a defined financial goal and a defined time horizon in which to realize their goal.

Scotia Capital Inc. reviews the Scotia Selected Portfolios, the Scotia Partners Portfolios and the Scotia Vision Portfolios and plays a key role in monitoring the underlying funds and the asset mixes on an ongoing basis.

Some of the other funds may invest some or all of their assets in other mutual funds from time to time. When deciding to invest in other mutual funds, the portfolio advisor may consider a variety of criteria, including management style, investment performance and consistency, risk attributes and the quality of the fund's manager or portfolio advisor.

Funds that engage in repurchase and reverse repurchase transactions

Some of the funds may enter into repurchase or reverse repurchase agreements to generate additional income from securities held in a fund's portfolio. When a mutual fund agrees to sell a security at one price and buy it back on a specified later date (usually at a lower price), it is entering into a repurchase transaction. When a mutual fund agrees to buy a security at one price and sell it back on a specified later date (usually at a higher price), it is entering into a reverse repurchase transaction. For a description of the strategies the funds use to minimize the risks associated with these transactions, see the discussion under *Repurchase and reverse repurchase transaction risk* on page 111.

Funds that lend their securities

Some of the funds may enter into securities lending transactions to generate additional income from securities held in a fund's portfolio. A mutual fund may lend securities held in its

portfolio to qualified borrowers who provide adequate collateral. For a description of the strategies the funds use to minimize the risks associated with these transactions, see the discussion under *Securities lending risk* on page 111.

What are the risks of investing in the fund?

This section tells you the risks of investing in the fund. You'll find a description of each risk in *Specific risks of mutual funds* on page 109.

Who should invest in this fund?

This section can help you decide if the fund might be suitable for your portfolio. It's meant as a general guide only. For advice about your portfolio, you should consult your mutual fund representative. If you don't have a mutual fund representative, you can speak with one of our representatives at any ScotiaBank branch or by calling a ScotiaMcLeod office.

Distribution policy

This tells you when the fund usually distributes any income and capital gains to unitholders. The funds may also make distributions at other times.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions. For information about how distributions are taxed, see *Income tax considerations for investors* on page 126.

Fund expenses indirectly borne by investors

This is an example of how much the fund might pay in expenses. It is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. Each fund pays its own expenses, but they affect you because they reduce the fund's returns.

The table shows how much the fund would pay in expenses on a \$1,000 investment with a 5% annual return. The information in the tables assumes that the fund's management expense ratio (MER) was the same throughout each period shown as it was during its last completed financial year. If a fund does not offer Class F or Class I units or did not distribute Class A, Class F or Class I units prior to December 31, 2007, no fund expenses information is available for that Class. You'll find more information about fees and expenses in *Fees and expenses* starting on page 120.

Cash Equivalent Funds

Scotia T-Bill Fund

Scotia Premium T-Bill Fund

Scotia Money Market Fund

Scotia U.S. \$ Money Market Fund

The cash equivalent funds aim to provide safety plus interest income. They have the lowest risk of the ScotiaFunds because they invest in very high quality short-term investments, such as treasury bills and other money market instruments. These funds are managed to attempt to maintain a constant unit value. Interest income will vary with short-term interest rates.

Cash equivalent funds can add stability and liquidity to your portfolio. They're also a good choice if you need quick access to your money or are looking for an alternative to other short-term investments or a savings account.

Cash Equivalent Funds

Scotia T-Bill Fund

Fund details

Fund type	Canadian money market fund
Start date	October 3, 1991
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in securities with a maturity of up to one year. The average term to maturity of the fund's investments can vary between 30 and 90 days.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and to manage the fund's average term to maturity. It may also use derivatives such as options, futures and swaps to adjust the fund's average term to maturity. It will only use derivatives as permitted by securities regulations.

The fund aims to maintain a constant unit value of \$10.00 by crediting income and capital gains daily and distributing them monthly.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risk of investing in this fund is interest rate risk.

The fund may have these additional risks:

- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each of these risks starting on page 109.

The fund aims to maintain a constant unit value of \$10.00, but there's a risk the price could change.

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity with a high level of safety
- you're investing for the short term
- you're looking for low risk and safety of principal.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains by the last business day of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 11.48	36.19	63.43	144.40

Scotia Premium T-Bill Fund

Fund details

Fund type	Canadian money market fund
Start date	July 10, 1992
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

The fund pays a rebate, called a management fee distribution, of 0.20% when the value of the fund within an account is \$250,000 to \$1 million and 0.35% when the value of the fund within an account is more than \$1 million. If you are eligible for a management fee distribution, you can expect to realize more income from the fund than you would otherwise realize.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in securities with a maturity of up to one year. The average term to maturity of the fund's investments can vary between 30 and 90 days.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and to manage the fund's average term to maturity. It may also use derivatives such as options, futures and swaps to adjust the fund's average term to maturity. It will only use derivatives as permitted by securities regulations.

The fund aims to maintain a constant unit value of \$10.00 by crediting income and capital gains daily and distributing them monthly.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the

fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risk of investing in this fund is interest rate risk.

The fund may have these additional risks:

- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each of these risks starting on page 109.

The fund aims to maintain a constant unit value of \$10.00, but there's a risk the price could change.

Who should invest in this fund?

This fund may be suitable for you if:

- you have at least \$100,000 to invest in the fund
- you want interest income with a high level of safety and liquidity
- you're investing for the short term
- you're looking for low risk and safety of principal.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains by the last business day of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 5.64	17.77	31.15	70.91

Scotia Money Market Fund

Fund details

Fund type	Canadian money market fund
Start date	Class A units: August 30, 1990 Class I units: June 20, 2005 Premium Class units: November 24, 2008
Type of securities	Class A, Class I and Premium Class units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

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.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in securities with a maturity of up to one year. The fund invests in securities with a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited (DBRS), or an equivalent rating by another approved rating agency. The average term to maturity of the fund's investments can vary between 30 and 90 days.

The portfolio advisor uses interest rate, yield curve and credit analysis to select individual investments and to manage the fund's average term to maturity. The portfolio advisor may use derivatives such as options, futures and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities, and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations.

The fund aims to maintain a constant unit value of \$10.00 by crediting income and capital gains daily and distributing them monthly.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk.

The fund may have these additional risks:

- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- underlying fund risk
- securities lending risk
- significant unitholder risk.

You'll find details about each risk starting on page 109.

The fund aims to maintain a constant unit value of \$10.00, but there's a risk the price could change.

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity with a high level of safety
- you're investing for the short term
- you're looking for low risk and safety of principal.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains by the last business day of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 11.69	36.84	64.57	146.97
Class I units	\$ 0.31	0.97	1.70	3.87

Scotia U.S. \$ Money Market Fund

Fund details

Fund type	U.S. money market fund
Start date	September 29, 1996
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as the World Bank.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in securities with a maturity of up to one year. The fund invests in securities with a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited (DBRS), or an equivalent rating by another approved rating agency. The average term to maturity of the fund's investments can vary between 30 and 90 days.

The portfolio advisor uses interest rate, yield curve and credit analysis to select individual investments and to manage the fund's average term to maturity. The portfolio advisor may use derivatives such as options, futures and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations.

The fund aims to maintain a constant unit value of US\$10.00 by crediting income and capital gains daily and distributing them monthly.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse

repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk.

The fund may have these additional risks:

- derivative risk
- asset-backed and mortgage-backed securities risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

The fund aims to maintain a constant unit value of US\$10.00, but there's a risk the price could change.

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income, exposure to the U.S. dollar and liquidity with a high level of safety
- you're investing for the short term
- you're looking for low risk and safety of principal.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains by the last business day of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 11.28	35.54	62.30	141.82

Income Funds

Scotia Mortgage Income Fund

Scotia Canadian Income Fund

Scotia U.S. \$ Bond Fund

Scotia Global Bond Fund

The income funds aim to offer the potential for higher interest income than the cash equivalent funds. They invest primarily in high quality fixed income securities such as bonds, mortgages and dividend-paying shares. These funds are riskier than cash equivalent funds because they're more sensitive to changes in interest rates and the creditworthiness of issuers.

Income funds can add income potential to your portfolio. They're also a good choice if you want higher income in the medium to long term and can accept possible declines in the value of your investment in the short term.

Scotia Mortgage Income Fund

Fund details

Fund type	Canadian short term fixed income fund
Start date	Class A units: November 30, 1992 Class F units: August 14, 2001 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada. These mortgages are:

- insured or guaranteed by Canadian federal or provincial governments, or their agencies, or
- conventional first mortgages with loan-to-value ratios of no more than 75%, unless the excess is insured by an insurance company registered or licensed under federal or provincial legislation.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. Scotiabank will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation. It will buy the mortgage at a price equal to the principal value plus any unpaid interest. That means the fund doesn't assume the risk of default on these mortgages.

The fund may invest up to 25% of its assets in fixed income securities issued by Canadian federal, provincial and municipal governments, and by corporations. The fund can invest up to 10% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to

maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risk of investing in this fund is interest rate risk.

The fund may have these additional risks:

- credit risk
- foreign investment risk
- currency risk
- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Diversified Monthly Income Fund, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Income & Modest Growth Portfolio held approximately 32.1%, 19.8% and 12.4%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular interest income
- you're investing for at least three years
- you can accept low-to-medium risk.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 17.94	56.55	99.12	225.62
Class F units	\$ 4.51	14.22	24.92	56.73
Class I units	\$ 3.49	10.99	19.26	43.83

Scotia Canadian Income Fund

Fund details

Fund type	Canadian fixed income fund
Start date	Class A units: November 1957 Class F units: August 14, 2001 Class I units: December 10, 2002
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances, mortgage-backed securities and guaranteed investment certificates
- high-quality dividend-paying shares of Canadian corporations.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited (DBRS), or an equivalent rating by another approved rating agency. Securities with a maturity of more than one year will have a credit rating of BBB (low) or better by DBRS, or an equivalent rating by another approved rating agency.

The average term to maturity of the fund's investments will vary, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the

fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The fund can invest up to 10% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk.

The fund may have these additional risks:

- foreign investment risk
- currency risk
- derivative risk
- class risk
- asset-backed and mortgage-backed securities risk
- repurchase and reverse repurchase transaction risk
- securities lending risk

- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio held approximately 15.3% of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income
- you're investing for at least three years
- you can accept low-to-medium risk.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 15.07	47.50	83.26	189.52
Class F units	\$ 8.30	26.17	45.88	104.43
Class I units	\$ 0.10	0.32	0.57	1.29

Scotia U.S. \$ Bond Fund

Fund details

Fund type	Global fixed income fund
Start date	Class A units: November 27, 1991 Class F units: July 11, 2001
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments, Canadian corporations and supranational entities, such as the World Bank.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited (DBRS), or an equivalent rating by another approved rating agency. Securities with a maturity of more than one year will have a credit rating of BBB (low) or better by DBRS, or an equivalent rating by another approved rating agency.

The average term to maturity of the fund's investments will vary depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The fund can invest up to 30% of its assets in foreign securities.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk.

The fund may have these additional risks:

- foreign investment risk
- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income and U.S. dollar exposure
- you're investing for at least three years
- you can accept medium risk.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 18.76	59.13	103.65	235.93
Class F units	\$ 10.66	33.61	58.90	134.08

Scotia Global Bond Fund

Fund details

Fund type	Global fixed income fund
Start date	Class A units: July 4, 1994 Class F units: November 19, 2002 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income. It invests primarily in foreign currency-denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The average term to maturity of the fund's investments will vary, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The fund holds securities denominated in a variety of currencies for diversification.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- currency risk
- interest rate risk
- credit risk
- foreign investment risk.

The fund may have these additional risks:

- derivative risk
- class risk
- asset-backed and mortgage-backed securities risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008 Scotia Vision Conservative 2015 Portfolio, Scotia Vision Conservative 2020 Portfolio and Scotia Vision Conservative 2010 Portfolio held approximately 14.5%, 13.1% and 10.2%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of interest income from fixed income securities denominated in a variety of currencies
- you're investing for at least three years
- you can accept medium risk.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 20.71	65.27	114.41	260.43
Class F units	\$ -	-	-	-
Class I units	\$ 0.82	2.59	4.53	10.31

Balanced Funds

Scotia Diversified Monthly Income Fund

Scotia Canadian Balanced Fund

Scotia Canadian Tactical Asset Allocation Fund

The balanced funds offer a combination of equity, fixed income and cash equivalent securities in a single investment. The portfolio advisors adjust the asset allocation as market conditions change to increase the potential for higher returns while managing risk. Balanced funds generally have less volatility than equity funds, but more volatility than income funds. For many investors, balanced funds offer a straightforward investment choice for most or all of their portfolio.

Balanced Funds

Scotia Diversified Monthly Income Fund

Fund details

Fund type	Canadian neutral balanced fund
Start date	Class A units: June 20, 2005 Class F units: August 31, 2005
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular monthly income and some capital appreciation.

It invests primarily in a diversified portfolio of income generating securities such as:

- dividend paying common shares
- preferred shares
- investment grade bonds
- convertible debentures
- mortgages
- high yield bonds
- asset-backed and mortgage-backed securities
- income trust units.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor determines the asset mix based on its analysis of market conditions and performance expectations for each asset class in a manner consistent with the fund's investment objectives. For the fund's equity investments, the portfolio advisor uses fundamental analysis to identify appropriate long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk. For fixed income securities, the portfolio advisor analyzes credit risk to identify securities that offer higher yields at an acceptable level of risk. Interest rate and yield curve analysis are used to manage

the fund's average term to maturity depending on market conditions. The credit quality of the fund's investments will vary depending on the economic cycle, industry factors, specific company situations and market pricing considerations to try to maximize returns while minimizing portfolio risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates, foreign currency exchange rates, credit spreads and stock market prices. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk
- equity risk
- income trust unit risk.

The fund may also have these additional risks:

- asset-backed and mortgage-backed securities risk
- class risk
- foreign investment risk
- currency risk
- derivative risk
- capital erosion risk

- repurchase and reverse repurchase transaction risk
- securities lending risk
- underlying fund risk
- liquidity risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 26.1% of the net assets of the fund were invested in Scotia Mortgage Income Fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular monthly income
- you're investing for at least three years
- you can accept medium risk.

Distribution policy

The fund distributes an amount out of income, capital gains and, if necessary, out of capital by the last business

day of each month. The amount of the monthly distribution may be adjusted throughout the year as market conditions change. Any additional distributions of income and capital gains will be made in December of each calendar year. If the fund doesn't earn enough income and capital gains to meet the monthly distribution, it may return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 14.66	46.21	80.99	184.36
Class F units	\$ 7.79	24.56	43.04	97.98

Scotia Canadian Balanced Fund

Fund details

Fund type	Canadian neutral balanced fund
Start date	Class A units: May 7, 1990 Class F units: March 22, 2001
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to provide a balance between earning income and obtaining capital growth over the long term. It invests primarily in a broad range of Canadian equity and fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's asset mix will generally vary within the following ranges: 30-70% in equity securities and 30-70% in cash equivalent and fixed income securities. The portfolio advisor determines the asset mix based on its analysis of market conditions and how it expects each asset class to perform over the long term.

The fund can invest up to 30% of its assets in foreign securities anywhere in the world.

The portfolio advisor uses fundamental analysis to identify long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against changes in stock prices, commodity prices, market indexes or currency exchange rates, credit spreads and interest rates and to gain or reduce exposure to financial markets. It will

only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- interest rate risk
- income trust unit risk
- credit risk.

The fund may have these additional risks:

- asset-backed and mortgage-backed securities risk
- foreign investment risk
- currency risk
- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want both interest income and growth through asset allocation among the three major asset classes
- you're investing for at least three years
- you can accept medium risk.

Distribution policy

The fund distributes any income by the last business day of each calendar quarter. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 20.50	64.63	113.28	257.85
Class F units	\$ 11.07	34.90	61.17	139.24

Scotia Canadian Tactical Asset Allocation Fund

Fund details

Fund type	Tactical balanced fund
Start date	Class A units: April 18, 1989 Class F units: March 22, 2001
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Connor, Clark & Lunn Investment Management Ltd.

What does the fund invest in?

Investment objectives

The fund's objective is to obtain capital growth over the long term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's asset mix will generally vary within the following ranges: 20-80% in equity securities and 20-80% in fixed income securities. The fund may also invest a portion of its assets in money market instruments. The portfolio advisor determines the mix based on its analysis of market conditions and how it expects each asset class to perform.

The portfolio advisor actively manages the allocation between equity and fixed income securities to try to maximize returns. It will aggressively pursue opportunities for capital gains or investment income, but will take measures to avoid undue risk or low returns from a particular security.

The fund can invest up to 49% of its assets in foreign securities anywhere in the world.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor uses fundamental analysis to identify long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates, and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- income trust unit risk
- interest rate risk
- credit risk.

The fund may have these additional risks:

- asset-backed and mortgage-backed securities risk
- foreign investment risk
- currency risk
- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want growth through asset allocation among the three major asset classes
- you're investing for at least three years
- you can accept medium risk.

Distribution policy

The fund distributes any income by the last business day of each calendar quarter. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 21.01	66.24	116.11	264.29
Class F units	\$ 11.58	36.51	64.00	145.68

Equity Funds

Canadian Equity Funds

Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund

U.S. Equity Funds

Scotia U.S. Growth Fund
Scotia U.S. Value Fund

International Equity Funds

Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund

Global Equity Funds

Scotia Global Growth Fund
Scotia Global Small Cap Fund
Scotia Global Opportunities Fund
Scotia Global Climate Change Fund

The equity funds offer the greatest potential for long-term growth. They invest mainly in common shares and other equity securities of companies in Canada and around the world. These funds also have higher risk because the prices of equity securities can change significantly in a short period of time. The amount of risk depends on the securities in which a fund invests. Funds that concentrate on a particular industry or geographic area usually have more risk than funds that are more broadly diversified.

Equity funds can add growth potential to your portfolio. They're a good choice if you don't need income and can accept possible declines in the value of your investment in the short term.

Equity Funds

Scotia Canadian Dividend Fund

Fund details

Fund type	Canadian dividend and income equity fund
Start date	Class A units: October 28, 1992 Class F units: January 21, 2002 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that pay dividends and income and have the potential for capital growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund can invest up to 10% of its assets in foreign securities anywhere in the world.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates, and to gain exposure to financial

markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- interest rate risk.

The fund may have these additional risks:

- foreign investment risk
- currency risk
- derivative risk
- class risk
- income trust unit risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want to maximize after-tax income by taking advantage of the Canadian dividend tax credit. This only applies to non-registered accounts because you generally don't pay tax on distributions received from funds you hold in registered plans
- you're investing for at least five years
- you can accept medium risk.

Distribution policy

The fund distributes any income by the last business day of each calendar quarter. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 17.12	53.96	94.59	215.30
Class F units	\$ 9.02	28.44	49.84	113.45
Class I units	\$ 0.10	0.32	0.57	1.29

Scotia Canadian Blue Chip Fund

Fund details

Fund type	Canadian focused equity fund
Start date	Class A units: December 31, 1986 Class F units: April 25, 2002 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund emphasizes large, well-established companies that are leaders in their industry.

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The fund can invest up to 30% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risk of investing in this fund is equity risk.

The fund may have these additional risks:

- foreign investment risk
- currency risk
- derivative risk
- income trust unit risk
- liquidity risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in high quality equity securities of large Canadian companies
- you're investing for at least five years
- you can accept medium risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 21.83	68.83	120.64	274.61
Class F units	\$ 11.79	37.16	65.13	148.26
Class I units	\$ 0.51	1.62	2.83	6.45

Scotia Canadian Growth Fund

Fund details

Fund type	Canadian equity fund
Start date	Class A units: February 20, 1961 Class F units: June 16, 2002 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The fund can invest up to 30% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risk of investing in this fund is equity risk.

The fund may have these additional risks:

- foreign investment risk
- currency risk
- derivative risk
- income trust unit risk
- liquidity risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 13.1% and 11.5%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a broad range of Canadian equity securities
- you're investing for at least five years
- you can accept medium risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 21.94	69.15	121.21	275.90
Class F units	\$ 11.89	37.48	65.70	149.55
Class I units	\$ 0.31	0.97	1.70	3.87

Scotia Canadian Small Cap Fund

Fund details

Fund type	Canadian small/mid cap equity fund
Start date	Class A units: October 28, 1992 Class F units: November 30, 2000 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The fund can invest up to 30% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- small company risk
- liquidity risk.

The fund may have these additional risks:

- foreign investment risk
- currency risk
- derivative risk
- class risk
- income trust unit risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 22.9% and 20.0%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of smaller Canadian companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 25.11	79.17	138.76	315.86
Class F units	\$ -	-	-	-
Class I units	\$ 0.51	1.62	2.83	6.45

Scotia Resource Fund

Fund details

Fund type	Natural resources equity fund
Start date	Class A units: July 6, 1993 Class F units: February 27, 2004 Class I units: November 5, 2008
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The fund can invest up to 49% of its assets in foreign securities anywhere in the world.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- concentration risk
- currency risk
- liquidity risk.

The fund may have these additional risks:

- foreign investment risk
- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in the resource sector
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year. Gains realized from trading in precious metals will result in distributions of income rather than capital gains.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of

the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 23.88	75.29	131.97	300.39
Class F units	\$ 13.02	41.04	71.93	163.73

Scotia U.S. Growth Fund

Fund details

Fund type	U.S. equity fund
Start date	Class A units: December 31, 1986 Class F units: June 16, 2002 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest a portion of its assets in securities of companies located outside the U.S. and Canada.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- currency risk.

The fund may have these additional risks:

- foreign investment risk
- derivative risk
- class risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of U.S. companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 25.93	81.75	143.29	326.18
Class F units	\$ 7.07	22.30	39.08	88.96
Class I units	\$ -	-	-	-

Scotia U.S. Value Fund

Fund details

Fund type	U.S. equity fund
Start date	Class A units: December 17, 2000 Class F units: April 18, 2001 Class I units: April 23, 2007
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Metropolitan West Capital Management, LLC

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify companies that are priced below their estimated intrinsic value. This involves evaluating the financial condition and management of each company relative to its industry and sector peers. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest a portion of its assets in securities of companies located outside the U.S. and Canada.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending

transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- currency risk
- concentration risk.

The fund may have these additional risks:

- derivative risk
- foreign investment risk
- repurchase and reverse repurchase transaction risk
- liquidity risk
- securities lending risk
- significant unitholder risk
- class risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 31.1% and 30.0%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of large U.S. companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 25.22	79.49	139.33	317.15
Class F units	\$ -	-	-	-
Class I units	\$ 0.51	1.62	2.83	6.45

Scotia International Value Fund

Fund details

Fund type	International equity fund
Start date	Class A units: December 17, 2000 Class F units: November 13, 2001 Class I units: April 23, 2007
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Pzena Investment Management, LLC

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify companies that are priced below their estimated fair value. This involves evaluating the financial condition and management of each company relative to its industry and sector peers. The fund's assets are diversified by industry and company to help reduce risk.

The assets of the fund can be invested anywhere in the world and the emphasis will be on equity securities of companies located in Europe, Australia and the Far East, giving due consideration to economic, social and political developments, currency risks and the liquidity of various national markets.

The fund may invest a portion of its assets in securities of companies in emerging markets. From time to time, the fund may hold the securities of a more concentrated number of issuers.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulation

- temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- foreign investment risk
- emerging markets risk
- concentration risk
- currency risk.

The fund may have these additional risks:

- significant unitholder risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- derivative risk
- class risk
- liquidity risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 30.0% and 28.9%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of large foreign companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 27.27	85.95	150.66	342.94
Class F units	\$ 16.30	51.38	90.05	204.99
Class I units	\$ 0.72	2.26	3.96	9.02

Scotia European Fund

Fund details

Fund type	European equity fund
Start date	Class A units: October 1, 1996 Class F units: September 15, 2004 Class I units: November 5, 2008
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	AllianceBernstein Canada, Inc.

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund can invest up to 60% of its assets in a single country. It holds securities denominated in a variety of currencies to hedge against volatility in foreign exchange markets.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- concentration risk
- foreign investment risk
- currency risk.

The fund may have these additional risks:

- derivative risk
- liquidity risk
- emerging markets risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of European companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 28.39	89.51	156.89	357.12
Class F units	\$ -	-	-	-

Scotia Pacific Rim Fund

Fund details

Fund type	Asia Pacific equity fund
Start date	Class A units: October 17, 1994 Class F units: February 27, 2004 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	TCW Investment Management Company

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in the more developed markets of Australia, Hong Kong, Japan, New Zealand, Singapore and Taiwan. It may invest up to 50% of its assets in emerging market countries, such as China, South Korea, Malaysia and Thailand.

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund can invest up to 75% of its assets in a single country. It holds securities denominated in a variety of currencies to hedge against volatility in foreign exchange markets.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to

financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you'll receive taxable capital gains if you hold the fund in a non-registered account.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- concentration risk
- foreign investment risk
- emerging markets risk
- currency risk.

The fund may have these additional risks:

- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of companies in the region of Australasia
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 28.70	90.48	158.59	360.99
Class F units	\$ -	-	-	-
Class I units	\$ 5.43	17.13	30.02	68.33

Scotia Latin American Fund

Fund details

Fund type	Specialty fund
Start date	Class A units: October 16, 1994 Class F units: February 27, 2004 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	TCW Investment Management Company

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund can invest up to 65% of its assets in a single country. It holds securities denominated in a variety of currencies to hedge against volatility in foreign exchange markets.

The fund can invest up to 25% of its assets in any market outside Latin America.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations

- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- concentration risk
- foreign investment risk
- emerging markets risk
- currency risk
- liquidity risk.

The fund may have these additional risks:

- derivative risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of Latin American companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 26.04	82.08	143.86	327.47
Class F units	\$ 17.84	56.22	98.55	224.33
Class I units	\$ 2.67	8.40	14.73	33.52

Scotia Global Growth Fund

Fund details

Fund type	Global equity fund
Start date	Class A units: February 20, 1961 Class F units: November 30, 2000 Class I units: April 23, 2007
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Baillie Gifford Overseas Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund can invest up to 70% of its assets in a single country.

The fund may invest in other mutual funds which are managed by us or by other mutual fund managers. You'll find more information about investing in other mutual funds on page 2.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash-equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- foreign investment risk
- concentration risk
- currency risk.

The fund may have these additional risks:

- liquidity risk
- derivative risk
- emerging markets risk
- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 28.9% and 27.8%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of companies around the world
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 29.01	91.45	160.29	364.86
Class F units	\$ -	-	-	-
Class I units	\$ 0.41	1.29	2.27	5.16

Scotia Global Small Cap Fund

Fund details

Fund type	Global small/mid cap equity fund
Start date	Class A units: December 17, 2000 Class F units: March 29, 2001 Class I units: April 23, 2007
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	GlobeFlex Capital, L.P.

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

At least 65% of the fund's assets will be invested in equity securities of small capitalization issuers located in the developed global markets. The portfolio advisor uses fundamental analysis to identify high quality companies with sustainable growth that are priced below their estimated fair value.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- small company risk
- currency risk
- foreign investment risk.

The fund may have these additional risks:

- derivative risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- class risk
- significant unitholder risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 36.9% and 35.8%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of smaller global companies
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 29.11	91.77	160.85	366.15
Class F units	\$ -	-	-	-
Class I units	\$ 0.92	2.91	5.10	11.60

Scotia Global Opportunities Fund

Fund details

Fund type	Global equity fund
Start date	Class A units: December 17, 2000 Class F units: May 16, 2001 Class I units: April 23, 2007
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Thornburg Investment Management, Inc.

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in a broad range of securities from around the world, including smaller companies with market capitalization of less than \$500 million. The fund may invest in both U.S. and international companies, including companies in emerging markets. The fund's U.S. and international holdings may vary from time to time, depending upon the portfolio advisor's view of specific investment opportunities and macro-economic factors.

The portfolio advisor may:

- use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. It will only use derivatives as permitted by securities regulations
- temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending

transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- currency risk
- equity risk
- concentration risk
- foreign investment risk
- emerging market risk.

The fund may have these additional risks:

- small company risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- class risk
- underlying fund risk (as at October 10, 2008, Scotia Selected Balanced Income & Growth Portfolio and Scotia Selected Moderate Growth Portfolio held approximately 33.0% and 29.5%, respectively, of the outstanding units of the fund).

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a more concentrated portfolio of equity securities from around the world
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 27.47	86.60	151.79	345.52
Class F units	\$ 16.61	52.35	91.75	208.86
Class I units	\$ 1.23	3.88	6.80	15.47

Scotia Global Climate Change Fund

Fund details

Fund type	Global equity fund
Start date	Class A units: February 4, 2008 Class F units: February 4, 2008 Class I units: February 4, 2008
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	State Street Global Advisors, Ltd.*

* State Street Global Advisors, Ltd. has provided notice to us that it intends to cease acting as a portfolio advisor in respect of the fund on or about December 9, 2008. We are in the process of finding a portfolio advisor to replace State Street Global Advisors, Ltd. for the fund.

What does the fund invest in?

Investment objectives

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.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in equity securities across the market capitalization spectrum, though generally in issuers with a minimum market capitalization of \$300 million. The fund seeks to make use of technologies that will help mitigate and adapt to the implications of climate change by investing in companies that meet rigorous environmental and financial criteria through a four-step investment process that includes:

- Environmental ranking
- Financial ranking
- Global analyst analysis
- Diversified portfolio construction.

The fund may hold large, diversified companies that are exposed to any one of the following nine climate themes, as well as smaller, specialized companies that have leading technologies in any one of the following areas:

- Clean fuels

- Clean technology and efficiency
- Efficient transport
- Environmental finance
- Power technology
- Power merchants and generation
- Renewable energy
- Sustainable living
- Water.

A diversified approach is used to capture broad economic opportunities stemming from climate change. This limits the potential volatility of the fund's narrower investment mandate.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets. When the fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. It will only use derivatives as permitted by securities regulations.

Derivatives are investments that derive their value from the price of another investment or from anticipated movements in interest rates, currency exchange rates or market indexes. Derivatives are usually contracts with another party to buy or sell an asset at a later time and at a set price.

- *Options* generally give holders the right, but not the obligation, to buy or sell an asset, such as a security or currency, at a set price and a set time. Option holders normally pay the other party a cash payment, called a premium, for agreeing to give them the option.
- *Forward contracts* are agreements to buy or sell an asset, such as a security or currency, at a set price and a set time. The parties have to complete the deal, or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes.
- *Futures contracts* are similar to forward contracts, except they have standard terms and conditions and are traded on public commodity exchanges.
- *Swaps* are agreements between two or more parties to exchange principal amounts or payments based on returns on different investments.

The portfolio advisor may temporarily invest the fund's assets in cash or cash equivalent securities to try to protect the fund during a market downturn or for other reasons.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. When the fund agrees to sell a security at one price and buy it back on a specified later date (usually at a lower price), it is entering into a repurchase transaction. When the fund agrees to buy a security at one price and sell it back on a specified later date (usually at a higher price), it is entering into a reverse repurchase transaction. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in the fund are:

- currency risk
- equity risk
- foreign investment risk
- emerging markets risk.

The fund may have these additional risks:

- small company risk
- liquidity risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- class risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a diversified global portfolio of equity securities that seeks to benefit from the actions surrounding climate change
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

Fund expense information is not available because the fund is new.

Index Funds

Scotia Canadian Bond Index Fund

Scotia Canadian Index Fund

Scotia U.S. Index Fund

Scotia CanAm Index Fund

Scotia Nasdaq Index Fund

Scotia International Index Fund

Index funds provide market exposure by tracking the returns and characteristics of an index as closely as possible. The portfolio advisors may use a variety of strategies to achieve this objective, such as directly investing in equities and bonds in similar proportions as the index, or utilizing futures contracts to gain market exposure. As passive investments, the risk and return characteristics of index funds are limited to those of the indices they track. Bond index funds usually have less risk than equity index funds, while index funds that focus on a specific market index usually have more risk than broadly diversified index funds.

Scotia Canadian Bond Index Fund

Fund details

Fund type	Canadian fixed income fund
Start date	Class A units: November 8, 1999 Class F units: November 18, 2003 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	State Street Global Advisors, Ltd.

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income and modest capital gains by tracking the performance of a generally recognized Canadian bond index, currently the DEX Universe Bond Index. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the SC Universe Bond Index as closely as possible by:

- investing in fixed income securities that have similar characteristics to the securities that are included in the SC Universe Bond Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs.

The portfolio advisor may use derivatives such as options, futures and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain exposure to income-producing securities and to hedge against changes in interest rates. It will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- credit risk
- asset-backed and mortgage-backed securities risk
- index risk
- concentration risk
- liquidity risk.

The fund may have these additional risks:

- class risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income while tracking the performance of a major Canadian bond index
- you're investing for at least three years
- you can accept low-to-medium risk.

Distribution policy

The fund distributes any income by the last business day of each month. It distributes any capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of

the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 9.94	31.34	54.94	125.06
Class F units	\$ 6.05	19.06	33.42	76.07
Class I units	\$ 0.82	2.59	4.53	10.31

Scotia Canadian Index Fund

Fund details

Fund type	Canadian equity fund
Start date	Class A units: October 27, 1997 Class F units: October 13, 2003 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	State Street Global Advisors, Ltd.

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index¹. It invests primarily in the stocks that are included in the index.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the S&P/TSX Composite Index as closely as possible by:

- investing in the stocks that are included in the S&P/TSX Composite Index in substantially the same proportion as they're weighted in the Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to gain exposure to the S&P/TSX Composite Index. It will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending

transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- index risk
- concentration risk
- liquidity risk.

The fund may also have these additional risks:

- class risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of Canadian equity securities while tracking the performance of a major market index
- you're investing for at least five years
- you can accept medium risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

¹ The S&P/TSX Composite Index is published by the Toronto Stock Exchange and Standard & Poor's. Standard & Poor's, a division of the McGraw-Hill Companies Inc., and the Toronto Stock Exchange have no connection with Scotia Securities Inc. and have not passed upon the merits of investing in the fund.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 10.46	32.96	57.77	131.50
Class F units	\$ -	-	-	-
Class I units	\$ 0.51	1.62	2.83	6.45

Scotia U.S. Index Fund

Fund details

Fund type	U.S. equity fund
Start date	Class A units: October 28, 1997 Class F units: November 30, 2006 Class I units: June 20, 2005
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	State Street Global Advisors, Ltd.

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 (S&P 500) Index¹. It invests primarily in the stocks that are included in the index.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the S&P 500 Index (Total Return) as closely as possible by:

- investing in the stocks that are included in the S&P 500 Index (Total Return) in substantially the same proportion as they're weighted in the Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to gain exposure to the S&P 500 Index. It will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending

transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- equity risk
- currency risk
- index risk
- concentration risk
- liquidity risk.

The fund may have these additional risks:

- class risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of U.S. equity securities while tracking the performance of a major market index
- you're investing for at least five years
- you can accept higher risk.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

¹ The S&P 500 Index is published by Standard & Poor's, a division of the McGraw-Hill Companies Inc. Standard & Poor's has no connection with Scotia Securities Inc. and has not passed upon the merits of investing in the fund.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 9.64	30.37	53.24	121.19
Class F units	\$ -	-	-	-
Class I units	\$ 1.03	3.23	5.66	12.89

Scotia CanAm Index Fund

Fund details

Fund type	U.S. equity fund
Start date	Class A units: July 9, 1993 Class F units: July 22, 2007
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index. The fund currently tracks the Standard & Poor's 500 (S&P 500) Index¹. It invests primarily in futures contracts that are linked to the performance of the index and in cash, Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the S&P 500 Index as closely as possible by using futures contracts that are linked to the performance of the S&P 500 Index. It invests the balance of its assets in cash and Canadian treasury bills and other short-term debt instruments guaranteed by the Government of Canada. The fund will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

¹ The S&P 500 Index is published by Standard & Poor's, a division of the McGraw-Hill Companies Inc. Standard & Poor's has no connection with Scotia Securities Inc. and has not passed upon the merits of investing in the fund.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- derivative risk
- equity risk
- currency risk
- index risk
- concentration risk
- liquidity risk.

The fund may have these additional risks:

- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you hold your units in a registered plan
- you want the growth potential of U.S. equity securities while tracking the performance of a major market index
- you're investing for at least five years
- you can accept higher risk.

This fund isn't suitable for non-registered accounts. The fund's distributions are primarily considered income, which is taxed at a higher rate than capital gains when received outside of a registered plan.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 10.46	32.96	57.77	131.50
Class F units	\$ 2.56	8.08	14.16	32.23

Scotia Nasdaq Index Fund

Fund details

Fund type	Science and technology equity fund
Start date	Class A units: December 17, 2000 Class F units: April 2, 2001
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Cassels Investment Counsel Limited

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index¹. It invests primarily in derivatives that are linked to the performance of the Nasdaq 100 Index, and in cash and money market instruments.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund aims to track the performance of the Nasdaq 100 Index as closely as possible by using derivatives such as options, futures, forward contracts and swaps that are linked to the performance of the Nasdaq 100 Index. The portfolio advisor may choose to invest directly in stocks that are included in the Nasdaq 100 Index.

The fund invests the balance of its assets in cash and money market instruments. This allows the fund to cover its positions in the derivatives. The fund will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- derivative risk
- equity risk
- currency risk
- index risk
- concentration risk
- liquidity risk.

The fund may have these additional risks:

- class risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you hold your units in a registered plan
- you want the growth potential of investing in U.S. equity securities while tracking the performance of a major market index
- you're investing for at least five years
- you can accept higher risk.

This fund isn't suitable for non-registered accounts. The fund's distributions are primarily considered income, which is taxed at a higher rate than capital gains when received outside of a registered plan.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

¹ The Nasdaq 100 Index is published by The Nasdaq Stock Market, Inc. The Nasdaq Stock Market, Inc. has no connection with Scotia Securities Inc. and has not passed upon the merits of investing in the fund.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$10.87	34.25	60.04	136.66
Class F units	\$ 5.84	18.42	32.28	73.49

Scotia International Index Fund

Fund details

Fund type	International equity fund
Start date	Class A units: November 8, 1999 Class F units: May 1, 2007 Class I units: April 28, 2003
Type of securities	Class A, Class F and Class I units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	State Street Global Advisors, Ltd.

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It invests primarily in futures contracts that are linked to the performance of the indexes, and in cash and money market instruments.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund currently tracks the performance of indexes of established stock markets in Europe, Australasia and the Far East. The portfolio advisor aims to track the performance of the indexes as closely as possible by using futures contracts that are linked to the performance of these indexes. It invests the balance of its assets in cash and money market instruments. This allows the fund to cover its positions in the futures contracts. The fund will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. You'll find more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them on page 111.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- derivative risk

- equity risk
- foreign investment risk
- concentration risk
- currency risk.

The fund may have these additional risks:

- class risk
- emerging markets risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- underlying fund risk.

You'll find details about each risk starting on page 109.

Who should invest in this fund?

This fund may be suitable for you if:

- you hold your units in a registered plan
- you want the growth potential of foreign equity securities while tracking the performance of major market indexes
- you're investing for at least five years
- you can accept higher risk.

This fund isn't suitable for non-registered accounts. The fund's distributions are primarily considered income, which is taxed at a higher rate than capital gains when received outside of a registered plan.

Distribution policy

The fund distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 12.10	38.13	66.83	152.13
Class F units	\$ 5.02	15.83	27.75	63.17
Class I units	\$ 1.44	4.52	7.93	18.05

Scotia Portfolios

Scotia Selected Portfolios

Scotia Selected Income & Modest Growth Portfolio

Scotia Selected Balanced Income & Growth Portfolio

Scotia Selected Moderate Growth Portfolio

Scotia Selected Aggressive Growth Portfolio

Scotia Partners Portfolios

Scotia Partners Income & Modest Growth Portfolio

Scotia Partners Balanced Income & Growth Portfolio

Scotia Partners Moderate Growth Portfolio

Scotia Partners Aggressive Growth Portfolio

Scotia Vision Portfolios

Scotia Vision Conservative 2010 Portfolio

Scotia Vision Aggressive 2010 Portfolio

Scotia Vision Conservative 2015 Portfolio

Scotia Vision Aggressive 2015 Portfolio

Scotia Vision Conservative 2020 Portfolio

Scotia Vision Aggressive 2020 Portfolio

Scotia Vision Conservative 2030 Portfolio

Scotia Vision Aggressive 2030 Portfolio

As part of our suite of industry leading asset allocation offerings, Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios are a convenient and effective way to invest in other mutual funds and can help you reach the financial targets you've set.

Each portfolio invests its assets in up to four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. Different allocations to these asset classes represent different investment goals, returns and exposure to risk.

Scotia Selected Income & Modest Growth Portfolio

Fund details

Fund type	Canadian fixed income balanced fund
Start date	Class A units: April 28, 2003 Class F units: April 28, 2003
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	70%
Canadian Equities	15%
Foreign Equities	15%

The underlying funds in which the portfolio invests may change from time to time, but the weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- asset-backed and mortgage backed securities risk
- equity risk
- credit risk
- foreign investment risk
- small company risk
- emerging markets risk
- currency risk
- concentration risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- liquidity risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 53.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund and up to 22.9% of the net assets of the portfolio were invested in Scotia Mortgage Income Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 18.14	57.19	100.25	228.20
Class F units	\$ -	-	-	-

Scotia Selected Balanced Income & Growth Portfolio

Fund details

Fund type	Global neutral balanced fund
Start date	Class A units: April 28, 2003 Class F units: June 5, 2008
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	45%
Canadian Equities	29%
Foreign Equities	26%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- asset-backed and mortgage-backed securities risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- small company risk
- emerging markets risk
- equity risk
- liquidity risk
- concentration risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 40.8% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 12.5% of the net assets of the portfolio were invested in Scotia Mortgage Income Fund, up to 10.6% of the net assets of the portfolio were invested in Scotia Canadian Growth Fund and up to 10.0% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 19.58	61.72	108.18	246.25
Class F units	\$ -	-	-	-

Scotia Selected Moderate Growth Portfolio

Fund details

Fund type	Global equity balanced fund
Start date	Class A units: April 28, 2003 Class F units: April 28, 2003
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

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 of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	25%
Canadian Equities	38%
Foreign Equities	37%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- asset-backed and mortgage-backed securities risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- emerging markets risk
- liquidity risk
- equity risk
- small company risk
- concentration risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 31.3% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 14.8% of the net assets of the portfolio were invested in Scotia Canadian Growth Fund, up to 14.4% of the net assets of the portfolio were invested in Scotia Global Growth Fund and up to 14.2% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 21.22	66.89	117.24	266.87
Class F units	\$ -	-	-	-

Scotia Selected Aggressive Growth Portfolio

Fund details

Fund type	Global equity fund
Start date	Class A units: April 28, 2003 Class F units: April 28, 2003
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	10%
Canadian Equities	45%
Foreign Equities	45%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio advisor may actively trade the portfolio's investments. This can increase trading costs, which may lower the portfolio's returns. It also increases the chance that you'll receive taxable capital gains if you hold the portfolio in a non-registered account.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- asset-backed and mortgage-backed securities risk
- credit risk
- foreign investment risk
- currency risk
- concentration risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- liquidity risk
- emerging market risk
- equity risk
- small company risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.1% of the net assets of the portfolio were invested in Scotia Canadian Growth Fund, up to 17.9% of the net assets of the portfolio were invested in Scotia Global Growth Fund, up to 17.3% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund and up to 13.0% of the net assets of the portfolio were invested in Scotia Canadian Income Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk
- you're investing for at least five years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 23.88	75.29	131.97	300.39
Class F units	\$ -	-	-	-

Scotia Partners Income & Modest Growth Portfolio

Fund details

Fund type	Canadian fixed income balanced fund
Start date	Class A units: December 10, 2002 Class F units: February 10, 2002
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	65%
Canadian Equities	15%
Foreign Equities	20%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- liquidity risk
- equity risk
- small company risk
- concentration risk
- emerging markets risk
- asset-backed and mortgage-backed securities risk
- deflation risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 21.8% of the net assets of the portfolio were invested in Fidelity Canadian Bond Fund, up to 21.2% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 16.1% of the net assets of the portfolio were invested in Mackenzie Sentinel Bond Fund and up to 10.6% of the net assets of the portfolio were invested in Scotia Cassels Canadian Corporate Bond Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 20.81	65.60	114.97	261.72
Class F units	\$ 9.74	30.70	53.81	122.48

Scotia Partners Balanced Income & Growth Portfolio

Fund details

Fund type	Global neutral balanced fund
Start date	Class A units: December 10, 2002 Class F units: December 10, 2002
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	40%
Canadian Equities	25%
Foreign Equities	35%

The underlying funds in which the portfolio invests may change from time to time but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- liquidity risk
- equity risk
- share class risk
- small company risk
- concentration risk
- emerging markets risk
- asset-backed and mortgage-backed securities risk
- deflation risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 10.6% of the net assets of the portfolio were invested in Fidelity Canadian Bond Fund and up to 10.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 22.24	70.12	122.90	279.77
Class F units	\$ 11.38	35.87	62.87	143.11

Scotia Partners Moderate Growth Portfolio

Fund details

Fund type	Global equity balanced fund
Start date	Class A units: December 10, 2002 Class F units: December 10, 2002
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

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 of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	25%
Canadian Equities	33%
Foreign Equities	42%

The underlying funds in which the portfolio invests may change from time to time but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- liquidity risk
- equity risk
- small company risk
- concentration risk
- emerging markets risk
- asset-backed and mortgage-backed securities risk
- share class risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you're investing for at least three years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 23.88	75.29	131.97	300.39
Class F units	\$ 12.92	40.71	71.36	162.44

Scotia Partners Aggressive Growth Portfolio

Fund details

Fund type	Global equity fund
Start date	Class A units: December 10, 2002 Class F units: December 10, 2002
Type of securities	Class A and Class F units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between three asset classes: fixed income, Canadian equities and foreign equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	10%
Canadian Equities	40%
Foreign Equities	50%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 10% above or below the amounts set out above. You'll find more information about investing in other mutual funds on page 2.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- derivative risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- liquidity risk
- equity risk
- small company risk
- concentration risk
- emerging markets risk
- asset-backed and mortgage-backed securities risk
- share class risk.

The portfolio also has class risk.

You'll find details about each of these risks starting on page 109.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk
- you're investing for at least five years.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Class A units	\$ 26.24	82.72	144.99	330.05
Class F units	\$ 15.27	48.15	84.39	192.10

Scotia Vision Conservative 2010 Portfolio

Fund details

Fund type	2010 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2010) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to

merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.6% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 18.0% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund, up to 12.7% of the net assets of the portfolio were invested in Scotia Money Market Fund and up to 11.5% of the net assets of the portfolio were invested in Scotia Global Bond Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 18.76	59.13	103.65	235.93

Scotia Vision Aggressive 2010 Portfolio

Fund details

Fund type	2010 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2010) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. Compared to the Scotia Vision Conservative 2010 Portfolio, the portfolio will have greater exposure to equity investments in the initial period after it's established. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in

a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.8% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 17.0% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund, up to 10.3% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund and up to 10.3% of the net assets of the portfolio were invested in Scotia Global Bond Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date
- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 20.81	65.60	114.97	261.72

Scotia Vision Conservative 2015 Portfolio

Fund details

Fund type	2015 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2015) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any point following the target date of the portfolio, in our sole

discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 20.0% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 16.0% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund, up to 11.2% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund and up to 10.4% of the net assets of the portfolio were invested in Scotia Global Bond Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date
- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 19.48	61.40	107.61	244.96

Scotia Vision Aggressive 2015 Portfolio

Fund details

Fund type	2015 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2015) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. Compared to the Scotia Vision Conservative 2015 Portfolio, the portfolio will have greater exposure to equity investments in the initial period after it's established. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any

point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund and up to 13.1% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 21.42	67.53	118.37	269.45

Scotia Vision Conservative 2020 Portfolio

Fund details

Fund type	2020 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2020) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any point following the target date of the portfolio, in our sole

discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.2% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 16.3% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund and up to 11.4% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 20.71	65.27	114.41	260.43

Scotia Vision Aggressive 2020 Portfolio

Fund details

Fund type	2020 target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2020) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. Compared to the Scotia Vision Conservative 2020 Portfolio, the portfolio will have greater exposure to equity investments in the initial period after it's established. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any

point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 18.8% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 13.3% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund and up to 10.0% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in other registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 21.94	69.15	121.21	275.90

Scotia Vision Conservative 2030 Portfolio

Fund details

Fund type	2020+ target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2030) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to

merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 14.4% of the net assets of the portfolio were invested in Scotia Canadian Income Fund, up to 12.4% of the net assets of the portfolio were invested in Scotia Canadian Bond Index Fund and up to 12.1% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 23.78	74.97	131.40	299.10

Scotia Vision Aggressive 2030 Portfolio

Fund details

Fund type	2020+ target date portfolio
Start date	June 20, 2005
Type of securities	Class A units of a mutual fund trust
Eligible for registered plans?	Yes
Portfolio advisor	Scotia Capital Inc.

What does the fund invest in?

Investment objectives

The portfolio's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2030) approaches.

The portfolio invests primarily in a diversified mix of mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: cash equivalents, fixed income, Canadian equities and foreign equities. Compared to the Scotia Vision Conservative 2030 Portfolio, the portfolio will have greater exposure to equity investments in the initial period after it's established. The underlying funds in which the portfolio invests may change from time to time, based on the portfolio advisor's assessment of the markets and the underlying funds' ability to help the portfolio achieve its investment objectives. You'll find more information about investing in other mutual funds on page 2. The portfolio's asset allocation strategy becomes increasingly conservative as its target date approaches.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

Once the target date of the portfolio is reached, it is expected that the portfolio will continue to be managed in a manner which is consistent with its investment objective, by investing in a diversified mix of mutual funds with an emphasis on income and cash equivalent funds. At any

point following the target date of the portfolio, in our sole discretion, we may decide to wind up the portfolio or to merge it into Scotia Money Market Fund (or its successor) or to merge it into any other mutual fund managed by us, subject to obtaining any required approvals.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. The risks of the underlying funds include:

- class risk
- asset-backed and mortgage-backed securities risk
- concentration risk
- credit risk
- currency risk
- derivative risk
- equity risk
- emerging markets risk
- foreign investment risk
- index risk
- interest rate risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- small company risk.

You'll find details about each of these risks starting on page 109.

During the 12 months preceding November 3, 2008, up to 12.5% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund and up to 11.2% of the net assets of the portfolio were invested in Scotia Canadian Income Fund.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you're planning to invest for a period of time consistent with the portfolio's target date

- you want a core balanced holding that becomes more conservative as its target date approaches and is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to higher risk.

Distribution policy

The portfolio distributes any income and capital gains in December of each calendar year.

Distributions on units held in registered plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a \$1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
	\$ 24.81	78.20	137.06	312.00

What is a mutual fund and what are the risks of investing in a mutual fund?

For many Canadians, mutual funds represent a simple and affordable way to meet their financial goals. But what exactly is a mutual fund, why invest in them, and what are the risks?

What is a mutual fund?

A mutual fund is an investment that pools your money with the money of many other people. Professional portfolio advisors use that money to buy securities that they believe will help achieve the fund's investment objectives. These securities could include stocks, bonds, mortgages, money market instruments, or a combination of these.

When you invest in a mutual fund, you receive units of the fund. Each unit represents a proportionate share of all of the mutual fund's assets. All of the investors in a mutual fund share in the fund's income, gains and losses. Investors also pay their share of the fund's expenses.

Why invest in mutual funds?

Mutual funds offer investors three key benefits: professional money management, diversification and accessibility.

- *Professional money management.* Professional portfolio advisors have the expertise to make the investment decisions. They also have access to up-to-the-minute information on trends in the financial markets, and in-depth data and research on potential investments.
- *Diversification.* Because your money is pooled with that of other investors, a mutual fund offers diversification into many securities that may not have otherwise been available to individual investors.
- *Accessibility.* Mutual funds have low investment minimums, making them accessible to nearly everyone.

No guarantees

While mutual funds have many benefits, it's important to remember that an investment in a mutual fund isn't guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund units aren't covered by the Canada Deposit Insurance Corporation (CDIC) or any other government deposit insurer, and your investment in the ScotiaFunds is not guaranteed by Scotiabank, Montreal Trust or National Trust.

Under exceptional circumstances, a mutual fund may suspend your right to sell your units. See *Suspending your right to buy, switch and sell units* on page 118 for details.

What are the risks?

While everyone wants to make money when they invest, you could lose money, too. This is known as *risk*. Like other investments, mutual funds involve some level of risk. The value of a fund's securities can change from day to day for many reasons, including changes in the economy, interest rates, and market and company news. That means the value of mutual fund units can vary. When you sell your units in a fund, you could receive less money than you invested.

The amount of risk depends on the fund's investment objectives and the types of securities it invests in. A general rule of investing is that the higher the risk, the higher the potential for gains as well as losses. Cash equivalent funds usually offer the least risk because they invest in highly liquid, short-term investments such as treasury bills. Their potential returns are tied to short-term interest rates. Income funds invest in bonds and other fixed income investments. These funds typically have higher long-term returns than cash equivalent funds, but they carry more risk because their prices can change when interest rates change. Equity funds expose investors to the highest level of risk because they invest in equity securities, such as common shares, whose prices can rise and fall significantly in a short period of time.

Managing risk

While risk is an important factor to consider when you're choosing a mutual fund, you should also think about your investment goals and when you'll need your money. For example, if you're saving for a large purchase in the next year or so, you might consider investing in a fund with low risk. If you want your retirement savings to grow over the next 20 years, you can probably afford to put more of your money in equity funds.

A carefully chosen mix of investments can help reduce risk as you meet your investment goals. Your mutual fund representative can help you build a portfolio that's suited to your goals and risk comfort level. If you don't have a mutual fund representative, we recommend using the Scotia® Investment Selector tool to determine your goals and personal risk profile. It's available at Scotiabank branches, by calling 1 800 268-9269, or on the Internet at www.scotiabank.com.

If your investment goals or tolerance for risk changes, remember, you can and should change your investments to match your new situation.

Specific risks of mutual funds

The value of the investments a mutual fund holds can change for a number of reasons. You'll find the specific risks of investing in each of the ScotiaFunds in the individual fund descriptions starting on page 6. This section tells you more about each risk.

Asset-backed and mortgage-backed securities risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Capital erosion risk

If the markets fall substantially and do not recover for a significant period, a fund's net asset value will likely drop in line with the market decline. A long-term decline in net asset value may force us to temporarily reduce distributions in an attempt to return the net asset value closer to the initial unit price to avoid a significant erosion of capital and a long-term effect on the fund's ability to generate income. Erosion of capital may also occur during the year if distributions on a particular class exceed the fund's income and capital gains for that class.

Class risk

Some mutual funds offer two or more classes of units of the same fund. Although the value of each class is calculated separately, there's a risk that the expenses or liabilities of one class of units may affect the value of the other classes. If one class is unable to cover its liabilities, the other classes are legally responsible for covering the difference. We believe that this risk is very low.

Concentration risk

Some mutual funds concentrate their investments in a single industry, country or geographic area. This allows them to focus on the potential of that particular industry, country or area. Other funds, such as index funds, may be permitted to concentrate more of their assets in one or more securities than is usually permitted for mutual funds. This allows them to more accurately track the performance of their target index. Mutual

funds that concentrate their investments tend to have greater fluctuations in price than funds with broader diversification. This is because they invest in fewer securities, and in the case of industry, country or geographically restricted funds, those securities may be affected by the same factors.

Credit risk

A fixed income security, such as a bond, is a promise to pay interest and repay the principal on the maturity date. There's always a risk that the issuer will fail to honour that promise. This is called credit risk. Credit risk is lowest among issuers that have a high credit rating from a credit rating agency. It's highest among issuers that have a low credit rating or no credit rating. Issuers with a low credit rating usually offer higher interest rates to make up for the higher risk. The bonds of issuers with poor credit ratings generally have yields that are higher than bonds of issuers with superior credit ratings. Bonds of issuers that have poor credit ratings tend to be more volatile as there is a greater likelihood of bankruptcy or default. Credit ratings may change over time.

Currency risk

When a mutual fund buys an investment that's denominated in a foreign currency, changes in the exchange rate between that currency and the Canadian dollar will affect the value of the fund.

Deflation risk

Deflation risk occurs when the general level of prices falls. In the event deflation occurs, the interest payments on real return bonds would shrink and the principal of the real return bonds held in a fund would be adjusted downward.

Derivative risk

Derivatives can be useful for hedging against losses, gaining exposure to financial markets and making indirect investments, but they involve certain risks:

- Hedging with derivatives may not achieve the intended result. Hedging instruments rely on historical or anticipated correlations to predict the impact of certain events, which may or may not occur. If they occur, they may not have the predicted effect.
- It's difficult to hedge against trends that the market has already anticipated.
- Costs relating to entering and maintaining derivatives contracts may reduce the returns of a fund.
- A currency hedge will reduce the benefits of gains if the hedged currency increases in value.

- Currency hedging can be difficult in smaller emerging growth countries because of the limited size of those markets.
- Currency hedging provides no protection against changes in the value of the underlying securities.
- There's no guarantee that a liquid exchange or market for derivatives will exist. This could prevent a fund closing out its positions to realize gains or limit losses. At worst, a fund might face losses from having to exercise underlying futures contracts.
- The prices of derivatives can be distorted if trading in their underlying stocks is halted. Trading in the derivative might be interrupted if trading is halted in a large number of the underlying stocks. This would make it difficult for a fund to close out its positions.
- The other party in a derivatives contract might not be able to meet its obligations.
- Derivatives trading on foreign markets may take longer and be more difficult to complete. Foreign derivatives are subject to the foreign investment risks described below.
- Investment dealers and futures brokers may hold a fund's assets on deposit as collateral in a derivative contract. As a result, someone other than the fund's custodian is responsible for the safekeeping of that part of the fund's assets.

Equity risk

Funds that invest in equities, such as common shares, are affected by changes in the general economy and financial markets, as well as by the success or failure of the companies that issued the securities. When stock markets rise, the value of equity securities tends to rise. When stock markets fall, the value of equity securities tends to fall. Convertible securities may also be subject to interest rate risk.

Emerging markets risk

Some mutual funds may invest in foreign companies or governments (other than the U.S.) which may be located in, or operate, in developing countries. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability, possible corruption, as well as lower standards of business regulation increase the risk of fraud and other legal issues. In addition to foreign investment risk described below, these mutual funds may be exposed to greater volatility as a result of such issues.

Foreign investment risk

Investments issued by foreign companies or governments other than the U.S. can be riskier than investments in Canada and

the U.S. Foreign countries can be affected by political, social, legal or diplomatic developments, including the imposition of currency and exchange controls. Some foreign markets can be less liquid, are less regulated, and are subject to different reporting practices and disclosure requirements than issuers in North American markets. It may be more difficult to enforce a fund's legal rights in jurisdictions outside of Canada. In general, securities issued in more developed markets, such as Western Europe, have lower foreign investment risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, have significant foreign investment risk and are exposed to the emerging markets risks described above.

Income trust unit risk

Some mutual funds invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. Many income trusts, including real estate investment trusts (REITs), are governed by laws of a province of Canada or of a state of the United States which limits the liability of the unitholders of the income trust. A mutual fund may invest in income trusts, including REITs, in Canada or elsewhere that are not governed by similar laws. In such cases, to the extent that claims, whether in contract, in tort or as a result of tax or statutory liability against a trust are not satisfied by the trust, holders of units in the trusts, including a fund, could be held liable for such obligations. Income trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the income trust will not be binding on unitholders personally. However, the income trust would still have exposure to damage claims not arising from contract, such as personal injury and environmental claims.

New rules have been enacted affecting the way certain income trusts are taxed. Generally, these rules include a tax on certain distributions from affected income trusts. These rules apply beginning with the 2011 taxation year for income trusts that were publicly-traded before November 1, 2006 (subject to an earlier application if certain growth guidelines are exceeded) and beginning with the 2007 taxation year for trusts that begin to be publicly-traded after October 31, 2006. These changes will reduce the tax effectiveness of income trusts. This could adversely affect mutual funds that invest in income trusts.

Index risk

Some mutual funds have an investment objective that requires them to duplicate the investment portfolio of a particular index. Depending on market conditions, one or more of the securities listed in that index may account for more than 10% of the net assets of the mutual fund. As an index mutual fund and the index it tracks become less diversified, the index mutual fund

is exposed to greater concentration and liquidity risk and may become more volatile.

Interest rate risk

Mutual funds that invest in fixed income securities, such as bonds and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the funds that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Liquidity risk

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. If a fund can't sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

Real estate sector risk

Some funds concentrate their investments in the real estate sector of the marketplace. These funds are better able to focus on the real estate sector's potential, however these funds are also riskier than funds with broader diversification. Sector specific funds tend to experience greater fluctuations in price because securities in the same industry tend to be affected by the same factors. These funds must continue to follow their investment objectives by investing in their particular sector even during periods when the sector is performing poorly.

Repurchase and reverse repurchase transaction risk

Some mutual funds may enter into repurchase or reverse repurchase agreements to generate additional income. When a mutual fund agrees to sell a security at one price and buy it back on a specified later date from the same party with the expectation of a profit, it is entering into a repurchase agreement. When a mutual fund agrees to buy a security at one price and sell it back on a specified later date to the same party with the expectation of a profit, it is entering into a reverse repurchase agreement. Mutual funds engaging in repurchase and reverse repurchase

transactions are exposed to the risk that the other party to the transaction may become insolvent and unable to complete the transaction. In those circumstances, there is a risk that the value of the securities bought may drop or the value of the securities sold may rise between the time the other party becomes insolvent and the time the fund recovers its investment. Mutual funds that engage in these transactions reduce this risk by holding, as collateral, enough of the other party's cash or securities to cover that party's repurchase or reverse repurchase obligations. To limit the risks associated with repurchase and reverse repurchase transactions, the collateral held in respect of the repurchase or reverse repurchase obligations must be marked to market on each business day and be fully collateralized at all times with acceptable collateral which has a value at least equal to 102% of the securities sold or cash paid for the securities by the mutual fund. Prior to entering into a repurchase agreement, a mutual fund must ensure that the aggregate value of the securities of a mutual fund that have been sold pursuant to repurchase transactions, together with any securities loaned, does not exceed 50% of its total asset value at the time that the mutual fund enters into the transaction.

Securities lending risk

Some mutual funds may enter into securities lending transactions to generate additional income from securities held in a mutual fund's portfolio. A mutual fund may lend securities held in its portfolio to qualified borrowers who provide adequate collateral. In lending its securities, a mutual fund is exposed to the risk that the borrower may not be able to satisfy its obligations under the securities lending agreement and the lending mutual fund is forced to take possession of the collateral held. Losses could result if the collateral held by the mutual fund is insufficient, at the time the remedy is exercised, to replace the securities borrowed. Mutual funds must receive collateral worth no less than 102% of the value of the loaned securities and borrowers must adjust that collateral daily to ensure this level is maintained. Prior to entering into a securities lending agreement, a mutual fund must ensure that the aggregate value of the securities loaned together with those that have been sold pursuant to repurchase transactions, does not exceed 50% of its total asset value.

Share class risk

Most mutual funds are mutual fund trusts. In certain circumstances, mutual funds may choose to invest in mutual fund corporations. Many mutual fund corporations have established separate classes of shares. In many cases each class of shares represents a separate portfolio of securities which is managed under distinct investment objectives which are not shared with other classes of shares of the mutual fund corporation. The liabilities attributed to each class of shares of a mutual fund

corporation are liabilities of the corporation as a whole. If the assets attributed to one class of shares of a mutual fund corporation are insufficient, assets attributed to other classes of shares may have to be used to cover these debts. Although the portfolios are different, and the value of each class of shares is calculated separately, there is a risk that the expenses or liabilities of one class of shares may affect the value of the other classes.

Significant unitholder risk

The purchase or redemption of a significant number of units of a fund may require the portfolio advisor to change the composition of the fund's portfolio significantly or may force the portfolio advisor to buy or sell investments at unfavourable prices, which can affect the fund's performance.

Small company risk

The prices of shares issued by smaller companies tend to fluctuate more than those of larger corporations. Smaller companies may not have established markets for their products and may not have solid financing. These companies generally issue fewer shares, which increases their liquidity risk.

Underlying fund risk

Some mutual funds invest some or all of their assets in another mutual fund, called the underlying fund. If a mutual fund buys or sells a large number of units of the underlying fund, the underlying fund may have to change its portfolio significantly to meet the purchase or redemption requests. This can affect the performance of the underlying fund.

Organization and management of the funds

Manager

Scotia Securities Inc.
16th Floor
40 King Street West
Toronto, Ontario
M5H 1H1

As manager, we are responsible for the overall business and operation of the funds. This includes:

- arranging for portfolio advisory services
- providing or arranging for administrative services.

Scotia Securities Inc. is a wholly-owned subsidiary of The Bank of Nova Scotia.

Trustee

Scotia Securities Inc.
Toronto, Ontario

As trustee, we control and have authority over each fund's investments in trust for unitholders under the terms described in the declaration of trust.

Principal distributor

Scotia Securities Inc.
Toronto, Ontario

As principal distributor, we market and sell the ScotiaFunds where they qualify for sale in Canada. We may hire participating dealers to assist in the sale of funds.

Custodian

The Bank of Nova Scotia
Toronto, Ontario

The custodian holds the investments of the funds and keeps them safe to ensure that they are used only for the benefit of investors. The Bank of Nova Scotia is the parent company of Scotia Securities Inc.

Registrar

Scotia Securities Inc.
Toronto, Ontario

As registrar, we make arrangements to keep a record of all unitholders of the funds, process orders and issue tax slips to unitholders.

Auditors

Ernst & Young LLP
Toronto, Ontario

The auditors are independent firms of chartered accountants. The firms audit the annual financial statements of the funds and provide an opinion as to whether they are fairly presented in accordance with Canadian generally accepted accounting principles.

Gaviller & Company LLP
Owen Sound, Ontario

Gaviller & Company LLP are the auditors of Scotia Canadian Income Fund, Scotia Global Bond Fund, Scotia Canadian Dividend Fund, Scotia Canadian Balanced Fund, Scotia Canadian Index Fund, Scotia Canadian Small Cap Fund and Scotia U.S. Index Fund.

Ernst & Young LLP are the auditors of all of the other funds.

Portfolio advisors

The portfolio advisors provide investment advice and make the investment decisions for the funds. You'll find the portfolio advisor for each fund in the fund descriptions starting on page 6.

Scotia Cassels Investment
Counsel Limited
Toronto, Ontario

Scotia Cassels Investment Counsel Limited and Scotia Capital Inc. are, respectively, direct and indirect wholly-owned subsidiaries of The Bank of Nova Scotia, which is the parent company of Scotia Securities Inc.

Scotia Capital Inc.
Toronto, Ontario

Metropolitan West Capital
Management, LLC
Newport Beach, California

Metropolitan West Capital Management, LLC is independent of Scotia Securities Inc.

State Street Global
Advisors, Ltd.
Montreal, Quebec

State Street Global Advisors, Ltd. is independent of Scotia Securities Inc.

AllianceBernstein Canada, Inc.
Toronto, Ontario

AllianceBernstein Canada, Inc. is independent of Scotia Securities Inc.

TCW Investment
Management Company
Los Angeles, California

TCW Investment Management Company is independent of Scotia Securities Inc.

Baillie Gifford Overseas Limited is independent of Scotia Securities Inc.
Edinburgh, Scotland

Pzena Investment Management, LLC is independent of Scotia Securities Inc.
New York, New York

Thornburg Investment Management, Inc. is independent of Scotia Securities Inc.
Santa Fe, New Mexico

GlobeFlex Capital, L.P. is independent of Scotia Securities Inc.
San Diego, California

Connor, Clark & Lunn Investment Management Ltd. is independent of Scotia Securities Inc.
Vancouver, British Columbia

Each of TCW Investment Management Company, Baillie Gifford Overseas Limited, Metropolitan West Capital Management, LLC, Pzena Investment Management, LLC and Thornburg Investment Management, Inc. is registered with the Ontario Securities Commission. Notwithstanding such registration, these portfolio advisors are not fully subject to the requirements of the *Securities Act* (Ontario) and the regulations concerning proficiency, capital, insurance, record keeping, segregation of assets and statements of account and portfolio. These portfolio advisors, and GlobeFlex Capital, L.P., are located outside of Canada and all or a substantial portion of their assets may be situated outside of Canada, which may make it difficult for clients to enforce their legal rights against them.

The name and address of the agent for service of process in Ontario for State Street Global Advisors, Ltd., TCW Investment Management Company, Baillie Gifford Overseas Limited, Metropolitan West Capital Management, LLC, Pzena Investment Management, LLC and Thornburg Investment Management, Inc. is available from the Ontario Securities Commission and for GlobeFlex Capital, L.P. is available upon request.

Funds that invest in underlying funds that are managed by us or our associates or affiliates will not vote any of the securities of those underlying funds. However, we may arrange for you to vote your share of those securities.

Independent Review Committee

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds*, we, as manager of the ScotiaFunds, have established an Independent Review Committee ("IRC"), with a mandate to review, and provide input on, our policies and procedures dealing with conflicts of interest in respect of the funds, and to review conflict of interest matters that we present to the IRC. The IRC currently has three members, each of whom is independent of the manager and any party related to the manager. The IRC will prepare, at least annually, a report of its activities for unitholders. This report will be available on or before March 31st of each year, at no charge, on the Internet at www.scotiabank.com, or by requesting a copy by e-mail at info@scotiabank.com. Additional information about the IRC, including the names of its members, is available in the funds' annual information form.

In certain circumstances, your approval may not be required under securities legislation to effect a fund merger or a change in the auditor of a fund. Where the IRC is permitted under securities legislation to approve a fund merger in place of the unitholders, you will receive at least 60 days written notice before the date of the merger. For a change in the auditor of a fund, your approval will not be obtained, but you will receive at least 60 days written notice before the change takes effect.

Purchases, switches and redemptions

Class A, Class F, Class I, Premium Class and Scotia Private Client units of the ScotiaFunds are no-load. That means you don't pay a sales commission when you buy, switch or sell these units through us or our affiliates. Selling your units is also known as redeeming.

How to place orders

You can open an account and buy, switch or sell the ScotiaFunds:

- by calling or visiting any branch of the Scotiabank Group, or office of ScotiaMcLeod.
- through Scotia OnLine at www.scotiabank.com, once you've signed up for this service.

You can also open an account and place orders through other registered brokers or dealers. They may charge you a sales commission or other fee. Brokers and dealers must send orders to us on the same day that they receive completed orders from investors.

All transactions are based on the price of a fund's units – or its net asset value per unit (NAVPU). All orders are processed using the next NAVPU calculated after the fund receives the order.

How we calculate net asset value per unit

We usually calculate the NAVPU of each class of each fund following the close of trading on the Toronto Stock Exchange (the TSX) on each day that the TSX is open for trading. In unusual circumstances, we may suspend the calculation of the NAVPU.

The NAVPU of each class of a fund is the current market value of the proportionate share of the assets allocated to the class, less the liabilities of the class and the proportionate share of the common expenses allocated to the class, divided by the total number of outstanding units in that class. Securities which trade on a public stock exchange are usually valued at their closing price on that exchange. However, if the price is not a true reflection of the value of the security, we will use another method to determine its value. This method is called fair value pricing and it will be used when a security's value is affected by events which occur after the closing of the market where the security is principally traded. Fair value pricing may also be used in other circumstances.

All of the funds are valued in Canadian dollars, except for Scotia U.S. \$ Money Market Fund and Scotia U.S. \$ Bond Fund. These funds are valued in U.S. dollars.

About the classes of units

The ScotiaFunds are available in up to six classes of units: Class A units, Class F units, Scotia Private Client units, Advisor Class units, Premium Class units and Class I units. Only Class A, Class F, Premium Class and Class I units are offered for sale under this simplified prospectus. The classes have different fees and are intended for different investors:

- Class A units are available to all investors. All of the funds offered for sale under this simplified prospectus offer Class A units.
- Class F units are generally only available to investors who have fee-based accounts with ScotiaMcLeod. All of the funds offered for sale under this simplified prospectus offer Class F units, except for Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. \$ Money Market Fund and Scotia Vision Portfolios. We, in conjunction with ScotiaMcLeod, are responsible for deciding whether you're eligible for Class F units. We may make Class F units available to other investors from time to time. If you're no longer eligible to hold your Class F units, we may change your units to Class A units or sell them.
- Scotia Private Client units are available to investors who have signed a discretionary investment management agreement with Scotia Cassels Investment Counsel Limited or Scotiatrust. Of the funds offered for sale under this simplified prospectus, Scotia Private Client units are offered by Scotia Money Market Fund, Scotia Canadian Income Fund, Scotia U.S. \$ Bond Fund, Scotia Canadian Dividend Fund and Scotia Canadian Small Cap Fund.
- Advisor Class units are available to all investors through authorized dealers and brokers, including ScotiaMcLeod and ScotiaMcLeod Direct Investing. Of the funds included in this simplified prospectus, Advisor Class units are offered by Scotia Money Market Fund, Scotia Canadian Income Fund, Scotia Diversified Monthly Income Fund, Scotia Canadian Tactical Asset Allocation Fund, Scotia Canadian Dividend Fund, Scotia Canadian Growth Fund, Scotia International Value Fund, Scotia Global Growth Fund, Scotia Global Opportunities Fund, Scotia Global Climate Change Fund, Scotia Selected Income & Modest Growth Portfolio, Scotia Selected Balanced Income & Growth Portfolio, Scotia Selected Moderate Growth Portfolio and Scotia Selected Aggressive Growth Portfolio.
- Premium Class units are only available to investors who make the required minimum investment, as determined by us from time to time. Of the funds included in this simplified prospectus, Premium Class units are currently only offered by

Scotia Money Market Fund. The principal difference between Class A units and Premium Class units relate to the minimum investment required to invest in each class.

- Class I units are only available to eligible institutional investors and other qualified investors. Class I units are currently offered by Scotia Money Market Fund, Scotia Mortgage Income Fund, Scotia Canadian Income Fund, Scotia Global Bond Fund, Scotia Canadian Dividend Fund, Scotia Canadian Blue Chip Fund, Scotia Canadian Growth Fund, Scotia Canadian Small Cap Fund, Scotia Resource Fund, Scotia U.S. Growth Fund, Scotia U.S. Value Fund, Scotia International Value Fund, Scotia European Fund, Scotia Pacific Rim Fund, Scotia Latin American Fund, Scotia Global Growth Fund, Scotia Global Small Cap Fund, Scotia Global Opportunities Fund, Scotia Global Climate Change Fund, Scotia Canadian Bond Index Fund, Scotia Canadian Index Fund, Scotia U.S. Index Fund and Scotia International Index Fund. No

management fees are charged on Class I units. Instead, Class I investors negotiate a separate fee that is paid directly to us.

How to buy the funds

Minimum investments

The minimum amounts for the initial and each additional investment in Class A and Premium Class units of a fund are shown in the table below. See page 118 for details on Pre-Authorized Contributions. For Class F units of a fund (except Scotia Partners Portfolios), the minimum initial investment is \$2,500 and the minimum for each additional investment is \$50. The minimum initial investment for Class F units of the Scotia Partners Portfolios is as set out in the table. For Class I units of a fund, the minimum initial investment is generally \$1,000,000. If you buy, sell or switch units through non-affiliated dealers you may be subject to higher minimum initial or additional investment amounts.

Fund	Minimum initial investment		Minimum additional investment (including Pre-Authorized Contributions ²)
	All accounts except <i>ican Invest</i> TM Program ³ accounts	All Scotia registered plans, except Scotia RRIFs	
		Scotia RRIFs	
Scotia Canadian Bond Index Fund			
Scotia Canadian Index Fund			
Scotia U.S. Index Fund			
Scotia CanAm Index Fund			
Scotia Nasdaq Index Fund			
Scotia International Index Fund	\$1,000	\$5,000	\$50
Scotia T-Bill Fund			
Scotia Money Market Fund (Class A)			
Scotia U.S. \$ Money Market Fund ¹	\$2,000	\$10,000	\$50
Scotia Money Market Fund (Premium Class) ⁴			
Scotia Premium T-Bill Fund ⁴	\$100,000	\$250,000	\$500
Scotia Global Growth Fund	\$100	\$5,000	\$25
Scotia U.S. \$ Bond Fund ¹			
All other funds	\$500	\$5,000	\$50
Scotia Partners Portfolios	\$5,000	\$5,000	\$50
Scotia Selected Portfolios			
Scotia Vision Portfolios	\$2,500	\$2,500	\$50

¹ You must use U.S. dollars to buy this fund.

² If you choose to invest less frequently than monthly using Pre-Authorized Contributions (i.e. bi-monthly, quarterly, semi-annually or annually), the minimum amount for each investment will be determined by multiplying the amounts shown here by twelve and then dividing the sum by the number of investments you make over the course of one calendar year. For example, for most funds, if you choose to invest quarterly, the minimum investment for each quarter will be $\$50 \times 12 \div 4$, or \$150.

³ The minimum initial investment for Scotia Diversified Monthly Income Fund, Scotia Canadian Balanced Fund, Scotia Global Growth Fund and Scotia Canadian Tactical Asset Allocation Fund is waived when these funds are purchased through the *ican Invest*TM Program offered through Scotiabank. See page 118 for details.

⁴ We have the right, without notice to you, to change your Premium Class units into Class A units of Scotia Money Market Fund and to switch your units of Scotia Premium T-Bill Fund for units of Scotia T-Bill Fund, as applicable, if you do not maintain the minimum initial investment shown here. You will be deemed not to have maintained the minimum investment amount if the current market value of your units on the last business day of any month is less than the minimum initial investment amount shown above.

We can change or waive these minimum investments at any time. We can close your account if the value of your investment in a fund drops below the minimum initial investment that applies to your account.

More about buying

- We can reject all or part of your order within one business day of the fund receiving it. If we reject your order, we'll immediately return any money received, without interest. We may reject your order if you've made several purchases and sales of a fund within a short period of time, usually 31 days. See *Short-term trading* for details.
- You have to pay for your units when you buy them. If we don't receive payment for your purchase within three business days after the purchase price is determined, we'll sell your units on the next business day. If the proceeds from the sale are more than the cost of buying the units, the fund will keep the difference. If the proceeds are less than the cost of buying the units, we must pay the shortfall. We may collect the shortfall and any related costs from the dealer or broker who placed the order, or from you, if you placed the order directly with us.
- You must use U.S. dollars to buy Scotia U.S. \$ Money Market Fund and Scotia U.S. \$ Bond Fund.
- Your broker, dealer or we will send you a confirmation of your purchase once your order is processed. If you buy units through pre-authorized contributions, you will receive a confirmation only for the initial investment and when you change the amount of your regular investment.

How to switch funds

You can switch from one ScotiaFund to another ScotiaFund, as long as you're eligible to hold the particular class of the ScotiaFund into which you switch. When we receive your order, we'll sell units of the first fund and then use the proceeds to buy units of the second fund. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee. See *Short-term trading* for details.

More about switching

- The rules for buying and selling units also apply to switches.
- Switches from Advisor Class units purchased under the deferred sales charge option or low load sales charge option to Class A, Class F, Class I or Premium Class units may be subject to a redemption fee.
- You can switch between funds valued in the same currency.
- If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

- Your broker, dealer or we will send you a confirmation once your order is processed.

How to reclassify your units

You can change your units of one class to another class of units of the same fund, as long as you're eligible to hold that class. If you change units of one class to another class, the value of your investment won't change (except for any fees you pay to reclassify your units), but the number of units you hold will change. This is because each class has a different unit value. Your dealer may charge you a fee to reclassify your units.

How to sell your units

In general, your instructions to sell must be in writing, and your bank, trust company, broker or dealer must guarantee your signature. We may also require other proof of signing authority.

We'll send your payment to your broker or dealer within three business days of receiving your properly completed order. If you sell units within 31 days of buying them, you may have to pay a short-term trading fee. See *Short-term trading* for details.

You can also sell units on a regular basis by setting up an automatic withdrawal plan. See *Optional services* for details.

More about selling

- You must provide all required documents within 10 business days of the day the redemption price is determined. If you don't, we'll buy back the units as of the close of business on the 10th business day. If the cost of buying the units is less than the sale proceeds, the fund will keep the difference. If the cost of buying the units is more than the sale proceeds, we must pay the shortfall. We can collect the shortfall and any related costs from the broker or dealer who placed the order, or from you, if you placed the order directly with us.
- Sell orders placed for a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by the required documents with proof of signing authority. The sell order will be effective only when the fund receives all required documents, properly completed.
- If you hold units of Scotia U.S. \$ Money Market Fund or Scotia U.S. \$ Bond Fund, we'll send you the sale proceeds in U.S. dollars.
- You will likely realize a capital gain or loss. Capital gains are taxable in a non-registered account.

- Your broker, dealer or we will send you a confirmation once your order is processed. If you sell units through the automatic withdrawal plan, you will receive a confirmation only for the first withdrawal.

Suspending your right to buy, switch and sell units

Securities regulations allow us to temporarily suspend your right to sell your fund units and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the fund's value or its underlying market exposure are traded and there's no other exchange where these securities or derivatives are traded, or
- with the approval of securities regulators.

We will not accept orders to buy fund units during any period when we've suspended investors' rights to sell their units.

You may withdraw your sell order before the end of the suspension period. Otherwise, we'll sell your units at the NAVPU next calculated when the suspension period ends.

Short-term trading

Short-term trading by investors can increase a fund's expenses, which affects all investors in the fund. To discourage short-term trading, a fund may charge a fee of 2% of the amount you sell or switch if you sell or switch your units within 31 days of buying them. This fee is paid directly to the fund. You will be responsible for the costs and expenses, as well as any tax consequences, resulting from the collection of the short-term trading fee. While this fee will generally be paid from the redemption proceeds of the fund in question, we have the right to redeem units of any other fund(s) in your account without further notice to you. We may, in our sole discretion, decide which units will be redeemed. The fee doesn't apply to cash equivalent funds, as those funds are meant to be highly liquid.

We may waive the fee.

Optional services

This section tells you about the accounts, plans and services that are available to investors in the ScotiaFunds. Call us at 1 800 268-9269 (416 750-3863 in Toronto) for English, or 1 800 387-5004 for French, or contact your branch of the Scotiabank Group for full details and application forms.

Pre-Authorized Contributions

Following your initial investment, you can make regular pre-authorized contributions (PAC) to the funds you choose using automatic transfers from your bank account at any selected Canadian financial institution.

More about Pre-Authorized Contributions

- Pre-authorized contributions are available for non-registered accounts, RRSPs and RESPs. See page 116 for the minimum investment amounts.
- You can choose to invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually.
- We'll automatically transfer the money from your bank account to the funds you choose.
- You can change how much you invest and how often you invest, or cancel the plan by telling us in writing.
- We can change or cancel the plan at any time.

- If you make purchases using pre-authorized contributions, you will receive a renewal simplified prospectus for the funds only if you request it. If you would like to receive a copy of a renewal prospectus along with any amendment, please contact us at 1 800 268-9269, or fax your request to or visit your nearest Scotiabank Group branch. The current renewal prospectus and any amendments may be found at www.sedar.com or at www.scotiabank.com/mutualfunds. Although you do not have a statutory right to withdraw from a purchase of mutual fund units made under a pre-authorized contribution, you will continue to have a right of action for damages or rescission in the event a renewal prospectus contains a misrepresentation, whether or not you request a renewal prospectus.

The *ican Invest*™ Program

The *ican Invest* Program offered by Scotiabank is designed to assess your current financial situation and recommend solutions for each of your goals by suggesting investment options based on your particular needs. Through the program, you determine an amount you can contribute towards each goal on a regular basis. Pre-authorized contributions will be made from your bank account to the investments you select. Minimum initial investments may not apply to units of some funds when purchased through the program. See page 116 for details.

Automatic Withdrawal Plan

Our automatic withdrawal plan lets you receive regular cash payments from your funds. The table below shows the minimum balance needed to start the plan and the minimum for each withdrawal.

Fund	Minimum balance to start the plan	Minimum for each withdrawal
Scotia T-Bill Fund		
Scotia Money Market Fund ¹	\$10,000	\$100
Scotia U.S. \$ Money Market Fund ²		
Scotia Premium T-Bill Fund	\$250,000	\$500
All other funds ¹	\$5,000	\$50

¹ Premium Class units require you to maintain a minimum investment amount of \$100,000. You may set up an automatic withdrawal plan for Premium Class units as long as you withdraw a minimum of \$500 each time. If you start an automatic withdrawal plan on Premium Class units, you should ensure that you maintain this minimum investment amount, otherwise we may, without notice to you, change your Premium Class units into Class A units of Scotia Money Market Fund.

² You must use U.S. dollars for Scotia U.S. \$ Money Market Fund and Scotia U.S. \$ Bond Fund.

More about the automatic withdrawal plan

- The automatic withdrawal plan is only available for non-registered accounts.
- You can choose to receive payments monthly, quarterly, semi-annually or annually.
- We'll automatically sell the necessary number of units to make payments to your bank account at any selected Canadian financial institution or by cheque.
- If you sell units within 31 days of buying them, you may have to pay a short-term trading fee. See *Short-term trading* for details.
- You may realize a capital gain or loss. Capital gains are taxable.
- You can change the funds and the amount or frequency of your payments, or cancel the plan by telling us in writing.
- We can change or cancel the plan, or waive the minimum amounts at any time.

If you withdraw more money than your fund units are earning, you'll eventually use up your investment.

Registered plans

We offer Scotia RRSPs, RRIFs, LIRAs, LRSPs, LIFs, LRIFs, PRIFs, RESPs and TFSA's. You can make lump-sum investments, or if you prefer, you can set up a regular investment plan using Pre-Authorized Contributions. You'll find the minimum investment amounts on page 116.

You can also hold units of the funds in self-directed registered plans with other financial institutions. You may be charged a fee for these plans.

Fees and expenses

This section describes the fees and expenses you may have to pay if you invest in the funds. You may have to pay some of these fees and expenses directly. The funds may have to pay some of these fees and expenses, which reduces the value of your investment. Because Class A, Class F, Class I and Premium Class units of the funds are no-load, a meeting of

unitholders of these classes of the funds is not required to approve any increase in a fee or expense charged to the funds. Any such increase will only be made if such unitholders are notified of the increase at least 60 days before the date on which the increase will take effect.

Fees and expenses payable by the funds

Management fees Each fund pays us a management fee with respect to each class of units for providing general management services. The fee is calculated and paid daily. The maximum annual rates of the management fee for Class A, Class F and Premium Class units of the funds are as follows:

Class A units

Fund	Maximum annual management fee (%)
Cash Equivalent Funds	
Scotia T-Bill Fund	1.00
Scotia Premium T-Bill Fund	0.50 ¹
Scotia Money Market Fund	1.00
Scotia U.S. \$ Money Market Fund	1.00
Income Funds	
Scotia Mortgage Income Fund	1.25
Scotia Canadian Income Fund	1.25
Scotia U.S. \$ Bond Fund	1.50
Scotia Global Bond Fund	1.50
Balanced Funds	
Scotia Diversified Monthly Income Fund	1.25
Scotia Canadian Balanced Fund	1.75
Scotia Canadian Tactical Asset Allocation Fund	1.75
Equity Funds	
<i>Canadian Equity Funds</i>	
Scotia Canadian Dividend Fund	1.50
Scotia Canadian Blue Chip Fund	1.85
Scotia Canadian Growth Fund	1.85
Scotia Canadian Small Cap Fund	2.00
Scotia Resource Fund	2.00
<i>U.S. Equity Funds</i>	
Scotia U.S. Growth Fund	2.00
Scotia U.S. Value Fund	2.00
<i>International Equity Funds</i>	
Scotia International Value Fund	2.15
Scotia European Fund	2.00
Scotia Pacific Rim Fund	2.00
Scotia Latin American Fund	2.50
<i>Global Equity Funds</i>	
Scotia Global Growth Fund	2.00
Scotia Global Small Cap Fund	2.35
Scotia Global Opportunities Fund	2.20
Scotia Global Climate Change Fund	2.00

Fees and expenses payable by the funds (cont'd)

Class A units (cont'd)

Fund	Maximum annual management fee (%)
Index Funds	
Scotia Canadian Bond Index Fund	0.70
Scotia Canadian Index Fund	0.80
Scotia U.S. Index Fund	0.80
Scotia CanAm Index Fund	0.80
Scotia Nasdaq Index Fund	0.80
Scotia International Index Fund	0.80
Scotia Portfolios	
<i>Scotia Selected Portfolios</i>	
Scotia Selected Income & Modest Growth Portfolio	1.60
Scotia Selected Balanced Income & Growth Portfolio	1.75
Scotia Selected Moderate Growth Portfolio	1.90
Scotia Selected Aggressive Growth Portfolio	2.10
<i>Scotia Partners Portfolios</i>	
Scotia Partners Income & Modest Growth Portfolio	1.85
Scotia Partners Balanced Income & Growth Portfolio	2.00
Scotia Partners Moderate Growth Portfolio	2.15
Scotia Partners Aggressive Growth Portfolio	2.35
<i>Scotia Vision Portfolios</i>	
Scotia Vision Conservative 2010 Portfolio	1.60
Scotia Vision Aggressive 2010 Portfolio	1.65
Scotia Vision Conservative 2015 Portfolio	1.70
Scotia Vision Aggressive 2015 Portfolio	1.75
Scotia Vision Conservative 2020 Portfolio	1.80
Scotia Vision Aggressive 2020 Portfolio	1.85
Scotia Vision Conservative 2030 Portfolio	2.00
Scotia Vision Aggressive 2030 Portfolio	2.05

¹ The fund pays a management fee distribution of 0.20% when the value of the fund held within an account is \$250,000 to \$1,000,000. It pays a management fee distribution of 0.35% when the value of the fund held within an account is greater than \$1,000,000.

Class F units

Fund	Maximum annual management fee (%)
Income Funds	
Scotia Mortgage Income Fund	0.625
Scotia Canadian Income Fund	0.625
Scotia U.S. \$ Bond Fund	0.75
Scotia Global Bond Fund	0.75
Balanced Funds	
Scotia Diversified Monthly Income Fund	0.625
Scotia Canadian Balanced Fund	0.875
Scotia Canadian Tactical Asset Allocation Fund	0.875
Equity Funds	
<i>Canadian Equity Funds</i>	
Scotia Canadian Dividend Fund	0.75
Scotia Canadian Blue Chip Fund	0.925
Scotia Canadian Growth Fund	0.925
Scotia Canadian Small Cap Fund	1.00
Scotia Resource Fund	1.00

Fees and expenses payable by the funds (cont'd)

Class F units (cont'd)

Fund	Maximum annual management fee (%)
<i>U.S. Equity Funds</i>	
Scotia U.S. Growth Fund	1.00
Scotia U.S. Value Fund	1.00
<i>International Equity Funds</i>	
Scotia International Value Fund	1.15
Scotia European Fund	1.00
Scotia Pacific Rim Fund	1.00
Scotia Latin American Fund	1.25
<i>Global Equity Funds</i>	
Scotia Global Growth Fund	1.00
Scotia Global Small Cap Fund	1.35
Scotia Global Opportunities Fund	1.20
Scotia Global Climate Change Fund	1.00
Index Funds	
Scotia Canadian Bond Index Fund	0.35
Scotia Canadian Index Fund	0.40
Scotia U.S. Index Fund	0.40
Scotia CanAm Index Fund	0.40
Scotia Nasdaq Index Fund	0.40
Scotia International Index Fund	0.40
Scotia Portfolios	
<i>Scotia Selected Portfolios</i>	
Scotia Selected Income & Modest Growth Portfolio	0.60
Scotia Selected Balanced Income & Growth Portfolio	0.75
Scotia Selected Moderate Growth Portfolio	0.90
Scotia Selected Aggressive Growth Portfolio	1.10
<i>Scotia Partners Portfolios</i>	
Scotia Partners Income & Modest Growth Portfolio	0.85
Scotia Partners Balanced Income & Growth Portfolio	1.00
Scotia Partners Moderate Growth Portfolio	1.15
Scotia Partners Aggressive Growth Portfolio	1.35

Premium Class units

Fund	Maximum annual management fee (%)
Scotia Money Market Fund	0.30

Funds that invest in other funds

An underlying fund pays its own fees and expenses, which are in addition to the fees and expenses payable by a fund that invests in the underlying fund.

No management or incentive fees are payable by a fund if the payment of those fees could reasonably be perceived as a duplication of fees payable by an underlying fund for the same services.

No sales or redemption fees are payable by a fund when it buys or sells securities of an underlying fund that is managed by us or one of our associates or affiliates or if the payment of those fees could reasonably be perceived as a duplication of fees paid by an investor in the fund.

Fees and expenses payable by the funds (cont'd)

Management fee distributions

In addition to the management fee distribution for Scotia Premium T-Bill Fund, the funds may pay you a management fee distribution if you make a large investment. The distributions are negotiable and are reinvested in the fund. We may discontinue management fee distributions by giving written notice to you or to your broker or dealer.

Operating expenses

Each class of a fund is allocated its own expenses and its proportionate share of the fund's expenses that are common to all classes. Operating expenses may include legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, custodial fees, taxes, brokerage commissions, unitholder communication costs and other administration costs. These expenses also include the costs in connection with the operation of the IRC (such as the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC), the fees paid to each IRC member, and the reasonable expenses associated with the performance of his or her duties as an IRC member. Currently, each member of the IRC is entitled to an annual retainer of \$10,000 (\$15,000 for the Chair), and a per meeting fee of \$1,000 for attending each IRC meeting and \$800 for attending each meeting held for information or education purposes. Each fund pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each fund's share of the IRC's compensation will be disclosed in the fund's financial statements. We may choose to absorb any of these expenses.

Scotia Mortgage Income Fund

Scotia Mortgage Income Fund pays Scotia Mortgage Corporation, a wholly-owned subsidiary of Scotiabank, a fee for administering all mortgages it holds. The fee is equal to an annualized rate of $\frac{3}{8}$ of 1% of the average net asset value of the mortgages.

Fees and expenses payable directly by you

Sales charges	None
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Redemption fee	None
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Switch fee	None
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Short-term trading fee	A fund may charge a fee of 2% of the amount you sell or switch, if you sell or switch your units within 31 days of buying them. The fee doesn't apply to cash equivalent funds. We may waive the fee.
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Registered plan fees	The trustee may charge a withdrawal or transfer fee of up to \$50.
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Other fees	<ul style="list-style-type: none">• Pre-Authorized Contributions: None• Automatic Withdrawal Plan: None
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Impact of sales charges

Class A, Class F, Premium Class and Class I units of the funds are no-load. That means you don't pay a sales commission when you buy, switch or sell units of these classes through Scotia Securities Inc. or Scotia Capital Inc. (including

ScotiaMcLeod and ScotiaMcLeod Direct Investing). You may pay a sales commission or other fee if you buy, switch or sell units through other registered brokers or dealers.

Dealer compensation

This section explains how we compensate employees, brokers and dealers when you invest in Class A or Premium Class units of the funds.

Sales commissions

We may pay our employees an up-front sales commission of up to 1% of the amount you invest.

Service fees

We may pay employees, brokers and dealers a service fee on Class A and Premium Class units. We don't pay service fees on Class F units. The fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of Class A or Premium Class units investors are holding of each fund sold by an employee, broker or dealer at the following annual rates:

Fund	Maximum annual service fee rate
Scotia Money Market Fund (Premium Class units)	
Scotia Premium T-Bill Fund	up to 0.10%
Scotia Canadian Bond Index Fund	
Scotia Canadian Index Fund	
Scotia U.S. Index Fund	
Scotia Nasdaq Index Fund	
Scotia International Index Fund	up to 0.40%
Scotia T-Bill Fund	
Scotia Money Market Fund (Class A units)	
Scotia U.S. \$ Money Market Fund	up to 0.50%
Scotia Canadian Income Fund	up to 0.55%
Scotia Mortgage Income Fund	
Scotia CanAm Index Fund	up to 0.625%
Scotia U.S. \$ Bond Fund	
Scotia Global Bond Fund	
Scotia Diversified Monthly Income Fund	
Scotia Canadian Balanced Fund	up to 0.75%

Fund	Maximum annual service fee rate
Scotia Canadian Blue Chip Fund	
Scotia Canadian Growth Fund	
Scotia Canadian Small Cap Fund	
Scotia Resource Fund	
Scotia U.S. Growth Fund	
Scotia Global Growth Fund	
Scotia European Fund	
Scotia Pacific Rim Fund	
Scotia U.S. Value Fund	
Scotia International Value Fund	
Scotia Global Opportunities Fund	
Scotia Global Small Cap Fund	
Scotia Global Climate Change Fund	
Scotia Vision Conservative 2010 Portfolio	
Scotia Vision Aggressive 2010 Portfolio	
Scotia Vision Conservative 2015 Portfolio	
Scotia Vision Aggressive 2015 Portfolio	
Scotia Vision Conservative 2020 Portfolio	
Scotia Vision Aggressive 2020 Portfolio	
Scotia Vision Conservative 2030 Portfolio	
Scotia Vision Aggressive 2030 Portfolio	up to 1.00%
Scotia Canadian Dividend Fund	up to 1.10%
Scotia Canadian Tactical Asset Allocation Fund	up to 1.125%
Scotia Partners Income & Modest Growth Portfolio	
Scotia Partners Balanced Income & Growth Portfolio	
Scotia Partners Moderate Growth Portfolio	
Scotia Partners Aggressive Growth Portfolio	
Scotia Selected Income & Modest Growth Portfolio	
Scotia Selected Balanced Income & Growth Portfolio	
Scotia Selected Moderate Growth Portfolio	
Scotia Selected Aggressive Growth Portfolio	
Scotia Latin American Fund	up to 1.25%

Sales incentive programs

We may award prizes, such as cash or merchandise, to employees or branches for sales of fund units. We estimate that the annual cost of these prizes will not be more than \$1 for each \$1,000 investment by a unitholder. The maximum value of any prize that may be awarded to an employee is \$1,000 each year. Members of the Scotiabank Group may include sales of units of the funds in their general employee incentive programs. These programs involve many different Scotiabank Group products. We may offer other incentive programs, as long as Canadian securities regulators approve them.

The funds or their unitholders pay no charges for incentive programs.

Equity interests

The Bank of Nova Scotia owns, directly or indirectly, 100% of Scotia Securities Inc., Scotia Capital Inc. (which includes ScotiaMcLeod and ScotiaMcLeod Direct Investing) and E*TRADE Canada Securities Corporation. As at June 30, 2008, The Bank of Nova Scotia directly owned 19.4% of Dundee-Wealth Inc., which owns Dundee Securities Corporation, Dundee Private Investors Inc., Dundee Private Investors Ltd. and Goodman Company, Dealer Services Inc. Effective on or about November 15, 2008 and subject to the satisfaction or waiver of customary closing conditions, including the receipt of all applicable regulatory approvals, The Bank of Nova Scotia will acquire 37.6% of the outstanding units of CI Financial Income Fund, which owns Assante Capital Management Ltd., Assante Financial Management Ltd. and Blackmont Capital Inc. Each of the above dealers may sell units of the funds.

Dealer compensation from management fees

The cost of the sales and service commissions and sales incentive programs was approximately 3.90% of the total

management fees we received from all of the ScotiaFunds during the financial year ended December 31, 2007.

Income tax considerations for investors

This section is a summary of how investing in the funds can affect your taxes. It assumes that you're an individual (other than a trust), a Canadian resident and you hold your units as capital property. More detailed information is provided in the funds' annual information form. Because tax laws vary by province and every investor's situation is different, we recommend that you get advice from a tax expert.

How your investment can earn money

Funds earn money in the form of income and capital gains. Income includes the interest and dividends a fund earns on its investments and gains on certain derivatives. Capital gains are earned when a fund sells investments for a profit.

You earn money in the form of distributions when the fund pays you your share of the income and capital gains it has earned. In general, each fund will distribute enough of its net income and net realized capital gains each year to unitholders so it won't have to pay income tax.

You can also earn money in the form of a capital gain when you sell or switch your units for a profit. You can realize a capital loss if you sell or switch your units at a loss.

How earnings are taxed

The tax you pay depends on whether you hold your units in a registered plan or in a non-registered account.

Units held in a registered plan

If you hold units of a fund in an RRSP, RRIF, RESP, TFSA or other registered plan, you pay no tax on distributions from the fund on those units or on any capital gains that your registered plan receives from selling or switching units. When you withdraw money from a registered plan (other than TFSA), it will generally be subject to tax at your marginal tax rate. You should consult with a tax expert about the special rules that apply to RESPs.

Units held in a non-registered account

Distributions from the funds

If you hold units of a fund in a non-registered account, you must include your share of the fund's distributions of net income and the taxable portion of its distributions of net capital gains (including any management fee distributions) in your income, whether you receive the distributions in cash or we reinvest them for you. In general, these distributions are taxable to you as if you received the income or gain directly. The higher a fund's portfolio turnover rate, the greater the chance the fund will make distributions of capital gains.

Distributions, including management fee distributions, may include a return of capital. When a fund earns less income and capital gains than the amount distributed, the difference is a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of your units of the fund. If the adjusted cost base of your units is reduced to less than zero, you will be deemed to realize a capital gain to the extent of the negative amount and the adjusted cost base of your units will be increased to nil. You should consult a tax expert about the tax implications of receiving a return of capital.

The unit price of a fund may include income and/or capital gains that the fund has accrued or realized, but not yet distributed. If you buy units of a fund just before it makes a distribution, you'll be taxed on that distribution, even though the fund earned the amount before you owned it. For example, many funds make their only, or most significant, distribution of income and capital gains in December. If you buy units late in the year, you may have to pay tax on the income and capital gains the fund earned for the whole year. That means you'll end up paying tax on fund earnings that you had little or no benefit from.

We'll issue a tax slip to you each year that shows you how much of each type of income and return of capital the fund distributed to you. You can claim any tax credits that apply to those earnings. For example, if the fund's distributions include Canadian dividend income, you'll qualify for a dividend tax credit. The characterization of distributions made during the year will not be determined with certainty for Canadian tax purposes until the end of each fund's taxation year.

Management fees paid on Class I units will not be deductible.

Capital gains (or losses) you realize

In general, you must also include in computing your income one-half of any capital gains you realize from selling or switching your units. You will have a capital gain if your sale proceeds, less any costs of the sale, are more than the adjusted cost base of your units. You will have a capital loss if your sale proceeds, less any costs of the sale, are less than the adjusted cost base of your units. You may use capital losses you realize to offset capital gains.

You may realize a foreign exchange gain or loss when you sell your units of Scotia U.S. \$ Money Market Fund or Scotia U.S. \$ Bond Fund.

Changing units from one class of a fund to another class of the same fund is not a disposition for tax purposes, so no capital gain or loss will result.

What are your legal rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units

Calculating adjusted cost base

Your capital gain or loss for tax purposes is the difference between the amount you receive when you sell or switch your units and the adjusted cost base of those units, less any costs of the sale.

In general, the aggregate adjusted cost base of your units equals:

- your initial investment, **plus**
- additional investments, **plus**
- reinvested distributions, **minus**
- any return of capital distributions, **minus**
- the adjusted cost base of any previous redemptions.

You should keep detailed records of the purchase cost of your investments and distributions you receive on those units so you can calculate their adjusted cost base. You may want to get advice from a tax expert.

and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

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. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this document just as if they were printed in it.

You can get a copy of the funds' annual information form, financial statements and management reports of fund performance at no charge, by calling 1 800 268-9269 (416 750-3863 in Toronto) for English, or 1 800 387-5004 for French, or by asking your mutual fund representative.

ScotiaFunds™ Simplified Prospectus

Class A and Class F units (unless otherwise noted) and Class I and Premium Class units where noted

Cash Equivalent Funds

Scotia T-Bill Fund (Class A units only)
Scotia Premium T-Bill Fund (Class A units only)
Scotia Money Market Fund (Class A, Class I and Premium Class units available)
Scotia U.S. \$ Money Market Fund (Class A units only)

Income Funds

Scotia Mortgage Income Fund (Class I units available)
Scotia Canadian Income Fund (Class I units available)
Scotia U.S. \$ Bond Fund
Scotia Global Bond Fund (Class I units available)

Balanced Funds

Scotia Diversified Monthly Income Fund
Scotia Canadian Balanced Fund
Scotia Canadian Tactical Asset Allocation Fund

Equity Funds

Canadian Equity Funds

Scotia Canadian Dividend Fund (Class I units available)
Scotia Canadian Blue Chip Fund (Class I units available)
Scotia Canadian Growth Fund (Class I units available)
Scotia Canadian Small Cap Fund (Class I units available)
Scotia Resource Fund (Class I units available)

U.S. Equity Funds

Scotia U.S. Growth Fund (Class I units available)
Scotia U.S. Value Fund (Class I units available)

International Equity Funds

Scotia International Value Fund (Class I units available)
Scotia European Fund (Class I units available)
Scotia Pacific Rim Fund (Class I units available)
Scotia Latin American Fund (Class I units available)

Global Equity Funds

Scotia Global Growth Fund (Class I units available)
Scotia Global Small Cap Fund (Class I units available)
Scotia Global Opportunities Fund (Class I units available)
Scotia Global Climate Change Fund (Class I units available)

You'll also find these documents on the Internet at www.scotiabank.com.

These documents and other information about the funds, such as information circulars and material contracts, are also available at www.sedar.com.

SCOTIA SECURITIES INC.
16TH FLOOR
40 KING STREET WEST
TORONTO, ONTARIO
M5H 1H1

Index Funds

Scotia Canadian Bond Index Fund (Class I units available)
Scotia Canadian Index Fund (Class I units available)
Scotia U.S. Index Fund (Class I units available)
Scotia CanAm Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund (Class I units available)

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income & Modest Growth Portfolio
Scotia Selected Balanced Income & Growth Portfolio
Scotia Selected Moderate Growth Portfolio
Scotia Selected Aggressive Growth Portfolio

Scotia Partners Portfolios®

Scotia Partners™ Income & Modest Growth Portfolio
Scotia Partners Balanced Income & Growth Portfolio
Scotia Partners Moderate Growth Portfolio
Scotia Partners Aggressive Growth Portfolio

Scotia Vision™ Portfolios

Scotia Vision Conservative 2010 Portfolio (Class A units only)
Scotia Vision Aggressive 2010 Portfolio (Class A units only)
Scotia Vision Conservative 2015 Portfolio (Class A units only)
Scotia Vision Aggressive 2015 Portfolio (Class A units only)
Scotia Vision Conservative 2020 Portfolio (Class A units only)
Scotia Vision Aggressive 2020 Portfolio (Class A units only)
Scotia Vision Conservative 2030 Portfolio (Class A units only)
Scotia Vision Aggressive 2030 Portfolio (Class A units only)



Recycled

Supporting responsible
use of forest resources

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The ScotiaFunds are offered by Scotia Securities Inc. Scotia Securities Inc. and Scotia Capital Inc. are corporate entities separate from, although wholly-owned by, The Bank of Nova Scotia. ScotiaMcLeod and ScotiaMcLeod Direct Investing are divisions of Scotia Capital Inc. Member CIPF.