

# ScotiaFunds™

## Annual Information Form

November 3, 2008

### Cash Equivalent Funds

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

### Income Funds

Scotia Mortgage Income Fund (Class A, Class F and Class I units)  
Scotia Canadian Income Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Cassels Canadian Corporate Bond Fund (Class I and Scotia Private Client units)  
Scotia Cassels Short-Mid Government Bond Fund (Class I and Scotia Private Client units)  
Scotia U.S. \$ Bond Fund (Class A, Class F and Scotia Private Client units)  
Scotia Global Bond Fund (Class A, Class F and Class I units)

### Balanced Funds

Scotia Diversified Monthly Income Fund (Class A and Class F units)  
Scotia Canadian Balanced Fund (Class A and Class F units)  
Scotia Cassels Advantaged Income Fund (Scotia Private Client units)  
Scotia Canadian Tactical Asset Allocation Fund (Class A and Class F units)

### Equity Funds

#### *Canadian Equity Funds*

Scotia Canadian Dividend Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Cassels Canadian Equity Fund (Class I and Scotia Private Client units)  
Scotia Canadian Blue Chip Fund (Class A, Class F and Class I units)  
Scotia Canadian Growth Fund (Class A, Class F and Class I units)  
Scotia Canadian Small Cap Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Resource Fund (Class A, Class F and Class I units)

#### *U.S. Equity Funds*

Scotia Cassels North American Equity Fund (Scotia Private Client units)  
Scotia Cassels Cyclical Opportunities Fund (Scotia Private Client units)  
Scotia Cassels U.S. Equity Fund (Class I and Scotia Private Client units)  
Scotia U.S. Growth Fund (Class A, Class F and Class I units)  
Scotia U.S. Value Fund (Class A, Class F and Class I units)

#### *International Equity Funds*

Scotia International Value Fund (Class A, Class F and Class I units)  
Scotia Cassels International Equity Fund (Class I and Scotia Private Client units)

Scotia European Fund (Class A, Class F and Class I units)  
Scotia Pacific Rim Fund (Class A, Class F and Class I units)  
Scotia Latin American Fund (Class A, Class F and Class I units)

*Global Equity Funds*

Scotia Global Growth Fund (Class A, Class F and Class I units)  
Scotia Global Small Cap Fund (Class A, Class F and Class I units)  
Scotia Global Opportunities Fund (Class A, Class F and Class I units)  
Scotia Global Climate Change Fund (Class A, Class F and Class I units)

**Index Funds**

Scotia Canadian Bond Index Fund (Class A, Class F and Class I units)  
Scotia Canadian Index Fund (Class A, Class F and Class I units)  
Scotia U.S. Index Fund (Class A, Class F and Class I units)  
Scotia CanAm<sup>®</sup> Index Fund (Class A and Class F units)  
Scotia Nasdaq Index Fund (Class A and Class F units)  
Scotia International Index Fund (Class A, Class F and Class I units)

**Scotia Portfolios**

*Scotia Selected<sup>®</sup> Portfolios*

Scotia Selected Income & Modest Growth Portfolio (Class A and Class F units)  
Scotia Selected Balanced Income & Growth Portfolio (Class A and Class F units)  
Scotia Selected Moderate Growth Portfolio (Class A and Class F units)  
Scotia Selected Aggressive Growth Portfolio (Class A and Class F units)

*Scotia Partners Portfolios<sup>®</sup>*

Scotia Partners<sup>™</sup> Income & Modest Growth Portfolio (Class A and Class F units)  
Scotia Partners Balanced Income & Growth Portfolio (Class A and Class F units)  
Scotia Partners Moderate Growth Portfolio (Class A and Class F units)  
Scotia Partners Aggressive Growth Portfolio (Class A and Class F units)

*Scotia Vision<sup>™</sup> Portfolios*

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

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 annual information form 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.**

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# ScotiaFunds

## NAMES AND FORMATION OF THE FUNDS

The ScotiaFunds family of mutual funds (individually a “Fund” and collectively the “Funds”) consists of 56 open-end mutual fund trusts governed under the laws of Ontario:

(1) Scotia T-Bill Fund (“T-Bill Fund”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior T-Bill Fund.

(2) Scotia Premium T-Bill Fund (“Premium T-Bill Fund”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior Premium T-Bill Fund.

(3) Scotia Money Market Fund (“Money Market Fund”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior Money Market Fund.

(4) Scotia U.S. \$ Money Market Fund (“U.S. Money Market Fund”)

Prior to November 1, 2007 this Fund was named Scotia CanAm U.S. \$ Money Market Fund.

Prior to October 24, 1998 this Fund was named Scotia CanAm Money Market Fund.

(5) Scotia Mortgage Income Fund (“Mortgage Income Fund”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior Mortgage Fund.

(6) Scotia Canadian Income Fund (“Income Fund”)

Prior to October 24, 1998 this Fund was named National Trust Canadian Bond Fund.

(7) Scotia Cassels Canadian Corporate Bond Fund (“Cassels Corporate Bond Fund”)

Prior to October 28, 2005 this Fund was named Scotia Canadian Corporate Bond Fund.

(8) Scotia Cassels Short-Mid Government Bond Fund (“Cassels Government Bond Fund”)

(9) Scotia U.S. \$ Bond Fund (“U.S. Bond Fund”)

Prior to November 1, 2007 this Fund was named Scotia CanAm U.S. \$ Income Fund.

Prior to October 24, 1998 this Fund was named Scotia CanAm Income Fund.

- (10) Scotia Global Bond Fund (“Global Bond Fund”)

Prior to November 1, 2007 this Fund was named Scotia CanGlobal Income Fund.

Prior to October 24, 1998 this Fund was named National Trust International RSP Bond Fund.

- (11) Scotia Diversified Monthly Income Fund (“Monthly Income Fund”)

- (12) Scotia Canadian Balanced Fund (“Balanced Fund”)

Prior to October 24, 1998 this Fund was named National Trust Balanced Fund.

- (13) Scotia Cassels Advantaged Income Fund (“Cassels Advantaged Income Fund”)

- (14) Scotia Canadian Tactical Asset Allocation Fund (“Tactical Allocation Fund”)

Prior to April 23, 2007 this Fund was named Scotia Total Return Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior Total Return Fund.

Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Total Return.

- (15) Scotia Canadian Dividend Fund (“Dividend Fund”)

Prior to October 24, 1998 this Fund was named National Trust Dividend Fund.

- (16) Scotia Cassels Canadian Equity Fund (“Cassels Canadian Equity Fund”)

- (17) Scotia Canadian Blue Chip Fund (“Canadian Blue Chip Fund”)

- (18) Scotia Canadian Growth Fund (“Canadian Growth Fund”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior Canadian Growth Fund.

Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Fund - Equity Section.

- (19) Scotia Canadian Small Cap Fund (“Small Cap Fund”)

Prior to October 24, 1998 this Fund was named National Trust Special Equity Fund.

- (20) Scotia Resource Fund (“Resource Fund”)

Prior to November 30, 2001 this Fund was named Scotia Precious Metals Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior Precious Metals Fund.

- (21) Scotia Cassels North American Equity Fund (“Cassels North American Equity Fund”)

- (22) Scotia Cassels Cyclical Opportunities Fund (“Cassels Cyclical Fund”)

(23) Scotia Cassels U.S. Equity Fund (“Cassels U.S. Equity Fund”)

(24) Scotia U.S. Growth Fund (“U.S. Growth Fund”)

Prior to November 1, 2007 this Fund was named Scotia American Growth Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior American Equity Growth Fund.

(25) Scotia U.S. Value Fund (“U.S. Value Fund”)

Prior to April 23, 2007 this Fund was named Capital U.S. Large Companies Fund.

(26) Scotia International Value Fund (“International Value Fund”)

Prior to April 23, 2007 this Fund was named Capital International Large Companies Fund.

(27) Scotia Cassels International Equity Fund (“Cassels International Equity Fund”)

(28) Scotia European Fund (“European Fund”)

Prior to November 1, 2007 this Fund was named Scotia European Growth Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior European Fund.

(29) Scotia Pacific Rim Fund (“Pacific Rim Fund”)

Prior to November 1, 2007 this Fund was named Scotia Pacific Rim Growth Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior Pacific Rim Fund.

(30) Scotia Latin American Fund (“Latin American Fund”)

Prior to November 1, 2007 this Fund was named Scotia Latin American Growth Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior Latin American Fund.

(31) Scotia Global Growth Fund (“Global Fund”)

Prior to September 18, 2001 this Fund was named Scotia International Growth Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior International Fund.

Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Fund - International Section.

(32) Scotia Global Small Cap Fund (“Global Small Cap Fund”)

Prior to April 23, 2007 this Fund was named Capital Global Small Companies Fund.

- (33) Scotia Global Opportunities Fund (“Global Opportunities Fund”)  
Prior to April 23, 2007 this Fund was named Capital Global Discovery Fund.
- (34) Scotia Global Climate Change Fund (“Climate Change Fund”)
- (35) Scotia Canadian Bond Index Fund (“Canadian Bond Index Fund”)
- (36) Scotia Canadian Index Fund (“Canadian Index Fund”)  
Prior to November 1, 2007 this Fund was named Scotia Canadian Stock Index Fund.  
Prior to October 24, 1998 this Fund was named National Trust Canadian Index Fund.
- (37) Scotia U.S. Index Fund (“U.S. Index Fund”)  
Prior to November 1, 2007 this Fund was named Scotia American Stock Index Fund.  
Prior to October 24, 1998 this Fund was named National Trust U.S. Index Fund.
- (38) Scotia CanAm Index Fund (“CanAm Index Fund”)  
Prior to November 1, 2007 this Fund was named Scotia CanAm Stock Index Fund.  
Prior to October 24, 1998 this Fund was named Scotia CanAm Growth Fund.
- (39) Scotia Nasdaq Index Fund (“Nasdaq Index Fund”)
- (40) Scotia International Index Fund (“International Index Fund”)  
Prior to November 1, 2007 this Fund was named Scotia International Stock Index Fund.
- (41) Scotia Selected Income & Modest Growth Portfolio (“Selected Income Portfolio”)  
Prior to November 1, 2007 this Fund was named Scotia Selected Income & Modest Growth Fund.
- (42) Scotia Selected Balanced Income & Growth Portfolio (“Selected Balanced Portfolio”)  
Prior to November 1, 2007 this Fund was named Scotia Selected Balanced Income & Growth Fund.
- (43) Scotia Selected Moderate Growth Portfolio (“Selected Moderate Portfolio”)  
Prior to November 1, 2007 this Fund was named Scotia Selected Conservative Growth Fund.
- (44) Scotia Selected Aggressive Growth Portfolio (“Selected Aggressive Portfolio”)  
Prior to November 1, 2007 this Fund was named Scotia Selected Aggressive Growth Fund.

(45) Scotia Partners Income & Modest Growth Portfolio (“Income Portfolio”)

(46) Scotia Partners Balanced Income & Growth Portfolio (“Balanced Portfolio”)

(47) Scotia Partners Moderate Growth Portfolio (“Moderate Growth Portfolio”).

Prior to November 1, 2007 this Fund was named Scotia Partners Conservative Growth Portfolio.

(48) Scotia Partners Aggressive Growth Portfolio (“Aggressive Growth Portfolio”)

(49) Scotia Vision Conservative 2010 Portfolio (“Conservative 2010 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Conservative 2010 Fund.

(50) Scotia Vision Aggressive 2010 Portfolio (“Aggressive 2010 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Aggressive 2010 Fund.

(51) Scotia Vision Conservative 2015 Portfolio (“Conservative 2015 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Conservative 2015 Fund.

(52) Scotia Vision Aggressive 2015 Portfolio (“Aggressive 2015 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Aggressive 2015 Fund.

(53) Scotia Vision Conservative 2020 Portfolio (“Conservative 2020 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Conservative 2020 Fund.

(54) Scotia Vision Aggressive 2020 Portfolio (“Aggressive 2020 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Aggressive 2020 Fund.

(55) Scotia Vision Conservative 2030 Portfolio (“Conservative 2030 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Conservative 2030 Fund.

(56) Scotia Vision Aggressive 2030 Portfolio (“Aggressive 2030 Portfolio”)

Prior to November 1, 2007 this Fund was named Scotia Vision Aggressive 2030 Fund.

The above mutual funds are collectively referred to as the “Funds”. The Income Portfolio, Balanced Portfolio, Moderate Growth Portfolio and Aggressive Growth Portfolio are collectively referred to as the “Scotia Partners Portfolios”. The Selected Income Portfolio, Selected Balanced Portfolio, Selected Moderate Portfolio and Selected Aggressive Portfolio are collectively referred to as the “Scotia Selected Portfolios”. The Conservative 2010 Portfolio, Aggressive 2010 Portfolio, Conservative 2015 Portfolio, Aggressive 2015 Portfolio, Conservative 2020 Portfolio, Aggressive 2020 Portfolio, Conservative 2030 Portfolio and

Aggressive 2030 Portfolio are collectively referred to as the “Scotia Vision Portfolios”. Collectively, the Money Market Fund, Income Fund, Cassels Government Bond Fund, Cassels Corporate Bond Fund, Cassels Cyclical Fund, Cassels Advantaged Income Fund, Dividend Fund, U.S. Bond Fund, Small Cap Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund are known as the “Scotia Private Client Class Funds”.

The T-Bill Fund was created pursuant to a declaration of trust dated October 3, 1991, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the T-Bill Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Premium T-Bill Fund was created pursuant to a declaration of trust dated July 10, 1992, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the Premium T-Bill Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Money Market Fund was created pursuant to a declaration of trust dated August 30, 1990, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the Money Market Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Class I units and on November 3, 2008 to establish Premium Class units of the Fund.

The U.S. Money Market Fund and European Fund were created pursuant to declarations of trust dated September 3, 1996, as amended and restated on October 1, 1999 and December 1, 1999 and, in the case of the European Fund, as amended and restated on November 30, 2000. The declaration of trust for each of the U.S. Money Market Fund and European Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the names of these Funds. Schedule A to the Master Declaration of Trust was amended on September 14, 2007 to establish Class E units for the European Fund and on November 3, 2008 to establish Class I units.

The Mortgage Income Fund was created pursuant to a declaration of trust dated September 22, 1992, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999, on November 30, 2000 and on April 22, 2003. The declaration of trust for the Mortgage Income Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on October 28, 2005 to establish Scotia Private Client units for the Fund.

The Income Fund was created pursuant to a declaration of trust dated November, 1957, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000 and on November 29, 2002. The declaration of trust for the Income Fund was further restated by a

Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The U.S. Bond Fund was created pursuant to a declaration of trust dated November 27, 1991, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999 and on November 30, 2000. The declaration of trust for the U.S. Bond Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on October 31, 2006 to establish Scotia Private Client units for the Fund and on November 1, 2007 to change the name of the Fund.

The Global Bond Fund was created pursuant to a declaration of trust dated July 4, 1994, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000, on November 30, 2001 and on April 22, 2003. The declaration of trust for the Global Bond Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Global Bond Fund.

The Pacific Rim Fund and Latin American Fund were created pursuant to declarations of trust dated August 18, 1994. The declaration of trust of the Pacific Rim Fund was amended and restated on October 1, 1999, on December 1, 1999 and on November 30, 2000. The declaration of trust of the Latin American Fund was amended and restated on December 1, 1999, on November 30, 2000 and on November 30, 2001. The declarations of trust for both Pacific Rim Fund and Latin American Fund were further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Class I units for these Funds and on November 1, 2007 to change the names of these Funds.

The Dividend Fund was created pursuant to a declaration of trust dated October 28, 1992, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000 and on April 22, 2003. The declaration of trust for the Dividend Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Canadian Blue Chip Fund and U.S. Growth Fund were created pursuant to declarations of trust dated December 31, 1986, as amended by supplemental deeds of trust dated December 30, 1988, July 3, 1989 and May 1, 1996 and as amended and restated on December 1, 1999, on November 30, 2000 and, in the case of the U.S. Growth Fund, as amended and restated on April 22, 2003. The declaration of trust for each of the Canadian Blue Chip Fund and U.S. Growth Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended in respect of the Canadian Blue Chip Fund on June 10, 2005 to establish Class I units for this Fund and in respect of the U.S. Growth Fund on November 1, 2007, to change the name of this Fund.

The Canadian Growth Fund, Global Fund and Tactical Allocation Fund were created pursuant to a declaration of trust dated February 20, 1961, as amended April 18, 1989 and, in the case of the Tactical Allocation Fund, as amended and restated by a declaration of trust dated

October 1, 1995 and, in each case, as amended and restated on December 1, 1999 and November 30, 2000 and, in the case of the Global Fund, as amended on September 18, 2001 and, in the case of the Canadian Growth Fund, as amended and restated on April 22, 2003. The declaration of trust for each of the Canadian Growth Fund, Global Fund and Tactical Allocation Fund was restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended in respect of the Global Fund on June 10, 2005 to establish Class I units for this Fund and in respect of the Tactical Allocation Fund on April 23, 2007 to change the name of this Fund.

The CanAm Index Fund was created pursuant to a declaration of trust dated July 9, 1993, as amended and restated on December 1, 1999 and on November 30, 2000. The declaration of trust for the CanAm Index Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Fund.

The Resource Fund was created pursuant to a declaration of trust dated July 6, 1993, as amended and restated on December 1, 1999, on November 30, 2000 and on November 30, 2001. The declaration of trust for the Resource Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Class I units for this Fund.

The Canadian Index Fund and U.S. Index Fund were created pursuant to declarations of trust dated December 13, 1996, as amended and restated on October 24, 1998, on December 1, 1999 and on November 30, 2000. The declaration of trust for each of the Canadian Index Fund and U.S. Index Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Class I units for these Funds and on November 1, 2007 to change the names of these Funds.

The Small Cap Fund was created pursuant to a declaration of trust dated October 28, 1992, as amended December 17, 1992 and August, 1993, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000, on November 29, 2002 and on April 22, 2003. The declaration of trust for the Small Cap Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Balanced Fund was created pursuant to a declaration of trust dated May 7, 1990, as amended and restated on October 24, 1998, on December 1, 1999 and on November 30, 2000. The declaration of trust for the Balanced Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Canadian Bond Index Fund and International Index Fund were created pursuant to declarations of trust dated September 20, 1999, as amended and restated on November 30, 2000 and, in the case of International Index Fund, as amended and restated on April 22, 2003. The declaration of trust for each of the Canadian Bond Index Fund and International Index Fund was further restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended in

respect of the Canadian Bond Index Fund on June 10, 2005 to establish Class I units for this Fund and in respect of the International Index Fund on November 1, 2007 to change the name of this Fund.

Each of the U.S. Value Fund, International Value Fund, Global Opportunities Fund, Global Small Cap Fund and Nasdaq Index Fund was created pursuant to a declaration of trust dated November 30, 2000. The declaration of trust for these Funds was restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended in respect of the U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund on December 14, 2006 to establish Class I units and on April 23, 2007 to change the names of these Funds.

Each of the Scotia Partners Portfolios was created pursuant to a declaration of trust dated November 29, 2002. The declaration of trust for each of the Scotia Partners Portfolios was restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Moderate Growth Portfolio.

Each of the Scotia Selected Portfolios was created pursuant to a declaration of trust dated April 22, 2003. The declaration of trust for each of the Scotia Selected Portfolios was restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the names of the Scotia Selected Portfolios.

The Cassels Corporate Bond Fund was created pursuant to a declaration of trust dated October 30, 2003. The declaration of trust for Cassels Corporate Bond Fund was restated by a Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. On October 28, 2005, Schedule A to the Master Declaration of Trust was amended to change the name of the Cassels Corporate Bond Fund. Schedule A to the Master Declaration of Trust was amended on June 4, 2008 to establish Class I units.

Each of the Scotia Vision Portfolios, the Monthly Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund was created pursuant to an amendment dated June 10, 2005 to Schedule A to the Master Declaration of Trust dated as of February 14, 2005. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the names of the Scotia Vision Portfolios. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Class I units for the Cassels Canadian Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund.

Each of the Cassels Government Bond Fund and Cassels Advantaged Income Fund was created pursuant to an amendment dated September 30, 2007 to Schedule A to the Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Class I units for the Cassels Government Bond Fund.

The Climate Change Fund was created pursuant to an amendment dated January 25, 2008 to Schedule A to the Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

The Cassels Cyclical Fund was created pursuant to an amendment dated November 3, 2008 to Schedule A to the Master Declaration of Trust dated as of February 14, 2005 and amended and restated as of April 23, 2007.

On October 1, 1999, the declaration of trust with respect to each of the Money Market Fund, Income Fund, Dividend Fund, Canadian Blue Chip Fund and U.S. Growth Fund was amended to establish an additional class of units, on November 29, 2002 the declaration of trust of the Small Cap Fund was amended to establish an additional class of units, and on October 28, 2005 Schedule A to the Master Declaration of Trust with respect to the Mortgage Income Fund was amended to establish an additional class of units in each case called the Scotia Private Client units, which are intended for sale to clients of Scotia Cassels Investment Counsel Limited (“Scotia Cassels”) and Scotiatrust.

On December 1, 1999, the declarations of trust respecting each of the Funds that were created prior to September 20, 1999 were amended and restated to bring them into conformity with current administrative practices.

On November 30, 2000, the declaration of trust with respect to each of the Funds that was created prior to November 30, 2000 other than the T-Bill Fund, Premium T-Bill Fund, Money Market Fund and U.S. Money Market Fund was amended to establish an additional class of units, the Class F units, which are offered for sale to investors who have fee-based accounts with ScotiaMcLeod, a division of Scotia Capital Inc. (“Scotia Capital”), or as otherwise permitted by Scotia Securities Inc. (“SSI” or the “Manager”).

On November 29, 2002, the declaration of trust of the Income Fund was amended to establish an additional class of units of the Fund, the Class I units, which are available to eligible institutional investors and other qualified investors.

On April 22, 2003, the declaration of trust with respect to each of the Mortgage Income Fund, Global Bond Fund, Dividend Fund, Canadian Growth Fund, Small Cap Fund, U.S. Growth Fund and International Index Fund was also amended to establish Class I units.

On April 23, 2007, the Master Declaration of Trust respecting each of the Funds that were created prior to this date was amended and restated to facilitate the establishment of the Independent Review Committee for the Funds.

On January 25, 2008, Schedule A to the Master Declaration of Trust was amended to establish an additional class of units for each of the Money Market Fund, Income Fund, Monthly Income Fund, Tactical Allocation Fund, Dividend Fund, Canadian Growth Fund, International Value Fund, Global Fund, Global Opportunities Fund, Climate Change Fund and the Scotia Selected Portfolios, called the Advisor Class units, which are intended to be sold through authorized dealers and brokers, including ScotiaMcLeod.

SSI is the trustee and manager of the Funds. The head office of the Funds and of SSI is located at 40 King Street West, 16th Floor, Toronto, Ontario M5H 1H1.

## INVESTMENT RESTRICTIONS AND PRACTICES

Except for the deviations described below, each of the Funds is subject to and follows the investment restrictions and practices outlined in applicable securities legislation, including National Instrument 81-102 *Mutual Funds* (“NI 81-102”). In particular, the Funds may use derivatives as well as enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. The risk factors associated with derivatives, securities lending, repurchase and reverse repurchase transactions and the way the risks are managed are disclosed in the simplified prospectus of the Funds. By following the investment restrictions and practices outlined in applicable securities legislation and NI 81-102, it is ensured that the Funds are administered properly and the portfolios of the Funds maintain a desirable level of diversity and liquidity. Please refer to the simplified prospectus of the Funds for a description of the investment objectives of each Fund. The fundamental investment objectives of a Fund may not be changed without the approval of a majority of voting unitholders. The Funds which do not adhere to the investment restrictions and practices set out in applicable securities legislation or NI 81-102 have received the permission of the securities regulatory authorities to do so.

### **The Global Bond Fund**

The Global Bond Fund may invest:

- (i) up to 20% of its net assets in securities issued or guaranteed as to principal and interest by any government or agency thereof (other than a government of Canada or a province thereof or of the United States, in which investment by all of the Funds is unrestricted) or any of the International Bank for Reconstruction and Development (more commonly known as the World Bank), the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank, the International Finance Corporation, the European Bank for Reconstruction and Development and the European Investment Bank (collectively, “permitted agencies”), provided that the securities have a minimum AA rating by Standard & Poor’s Corporation or the equivalent rating by any other rating agency listed in NI 81-102; or
- (ii) up to 35% of its net assets in securities issued or guaranteed as to principal and interest by permitted agencies, provided that the securities have a minimum AAA rating by Standard & Poor’s Corporation or the equivalent rating by any other rating agency listed in NI 81-102.

The restrictions and practices so adopted are incorporated herein by reference and a copy will be furnished upon request addressed to the distributor of the Fund.

### **The Resource Fund**

In the case of the Resource Fund, the restrictions in NI 81-102 on a fund’s ability to invest in gold and gold certificates and to buy and sell commodities do not apply.

## The Mortgage Income Fund

In accordance with National Policy Statement No. 29, the Mortgage Income Fund will not:

- invest in mortgages, other than first mortgages on real estate situated in Canada which has been appraised by a qualified appraiser (as hereinafter defined);
- invest in mortgages on raw or undeveloped land or in mortgages with loan-to-value ratios exceeding 75% unless such mortgages are insured under the National Housing Act (Canada) or any similar act of a province, or the excess over 75% is insured by an insurance company registered or licensed under the Insurance Companies Act (Canada) or insurance acts or similar acts of a Canadian province or territory;
- invest more than the lesser of \$1,000,000 or 5% of its net assets in any one mortgage so long as it has net assets of less than \$50,000,000, and not more than 2% of its net assets in any one mortgage where it has net assets of \$50,000,000 or more, and for the purposes of this paragraph, a series of mortgages on one condominium development shall be considered as one mortgage;
- invest in mortgages on residential properties of more than 8 units or on commercial and industrial properties until it has net assets of at least \$15,000,000, and then not if, as a result of such investment, more than 40% of its net assets would consist of such mortgages (provided that such mortgages in excess of 20% of its net assets must be insured by an agency of the Government of Canada or of a province of Canada);
- invest in mortgages having an amortization period exceeding 30 years, unless the mortgages are insured under the National Housing Act (Canada) or any similar act of a province, or in mortgages on residential properties of more than 8 units or on commercial and industrial properties having a remaining term to maturity of more than 10 years, or in mortgages on any other classification of property having a remaining term of more than 5 years except that up to 10% of its net assets may be invested in residential mortgages with maturities up to 10 years;
- invest in mortgages on a property in which:
  - any senior officer or director of SSI, or
  - The Bank of Nova Scotia (“BNS” or “Scotiabank”), or any person or company, or combination of persons or companies, that beneficially owns directly or indirectly more than 10% of the units of the Mortgage Income Fund or of the voting rights attached to all outstanding equity shares of SSI, or

- any associate or affiliate of persons or institutions mentioned above (except in the case of a mortgage on a single family dwelling for less than \$75,000),

has an interest as mortgagor; and

- borrow money except to cover the redemption of units prior to a realization of assets for such purpose. Such loans shall not in any event exceed 10% of its NAV as at the immediately preceding valuation date and shall be of a temporary nature only.

The term “qualified appraiser” means a bank, trust company, loan company or insurance company, or other person or company which makes appraisals and whose opinions are relied upon in connection with lending or servicing activities, and who in the judgment of SSI is properly qualified to make such a determination.

The Mortgage Income Fund will not invest in mortgages if such acquisition would have the effect of reducing the Fund’s liquid assets to an amount less than the amount established by the following formula:

<b>Net Assets of the Fund (market value)</b>		<b>Amount of Liquid Assets</b>	
\$ 1,000,000 or less	\$100,000		
\$ 1,000,000	\$100,000	+ 10% on next	\$ 1,000,000
\$ 2,000,000	\$200,000	+ 9% on next	\$ 3,000,000
\$ 5,000,000	\$470,000	+ 8% on next	\$ 5,000,000
\$10,000,000	\$870,000	+ 7% on next	\$10,000,000
\$20,000,000	\$1,570,000	+ 6% on next	\$10,000,000
\$30,000,000 or over	\$2,170,000	+ 5% on excess	

The term “liquid assets” means cash or deposits with a Canadian chartered bank or with any trust company registered under the laws of any province of Canada which are cashable or saleable prior to maturity, debt securities valued at market issued or guaranteed by the Government of Canada or of any province of Canada, and money market instruments maturing prior to one year from the date of issue.

National Policy Statement No. 29 permits four general methods to be used by Canadian mutual funds for determining the price at which mortgages may be acquired. Where a mutual fund acquires mortgages from a lending institution with which the fund, its management company and/or the insiders of either of them are dealing at arm’s length, such mortgages must be acquired at that principal amount which produces at least the yield prevailing for the sale of comparable unserviced mortgages by major mortgage lenders under similar conditions. In all other cases, mortgages may only be acquired by a fund according to one of the following three methods:

- (a) at that principal amount which will produce a yield to the fund equal to the interest rate at which the lending institution is making commitments to loan on the security of comparable mortgages at the time of purchase by the fund;

- (b) at that principal amount which will produce the same yield to the fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment provided that the date of commitment is not more than 120 days prior to the date of acquisition of the mortgage by the fund, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment; or
- (c) at that principal amount which will produce a yield to the fund of not more than 1/4 of 1% less than the interest rate at which the lending institution is making commitments, at the time of purchase, to loan on the security of comparable mortgages, provided that the lending institution which sells mortgages to the fund has entered into an agreement to repurchase the mortgages from the fund in circumstances benefiting the fund and that such an agreement is considered by the administrators to justify the difference in yield to the fund.

A fund utilizing the technique described in paragraph (c) above will realize a yield on its mortgage investments which is less than that resulting from the use of the techniques described in paragraph (a) and paragraph (b) provided that there is no change in interest rates during the period between the commitment for and the purchase of the mortgages. This relationship between the techniques described in paragraph (a) and paragraph (c) is generally unaffected by movements in interest rates. During periods of constant interest rates, the techniques described in paragraphs (a) and (b) will produce the same yield to the fund. During periods of rising interest rates, the technique described in paragraph (a) will produce a greater yield than that described in paragraph (b) and the opposite is the result during periods of decreasing interest rates. The same relationship will generally apply to the technique described in paragraph (c) when compared to that described in paragraph (b).

The Mortgage Income Fund has received permission from the Canadian Securities Administrators (“CSA”) to purchase mortgages from, or sell mortgages to, certain related parties, provided that the Independent Review Committee of the Fund has approved the transaction. The Independent Review Committee has reviewed SSI’s policies and procedures related to purchasing mortgages from, or selling mortgages to, related parties and has given its approval, as a standing instruction, for the Mortgage Income Fund to purchase mortgages from, or sell mortgages to, related parties.

The Mortgage Income Fund intends to purchase its mortgages from Scotia Mortgage Corporation (“SMC”), a wholly-owned subsidiary of BNS, and from BNS. BNS has agreed to purchase from Mortgage Income Fund any mortgage purchased from SMC if the mortgage is in default or is not a valid first mortgage. Consequently, Mortgage Income Fund intends to use the method described in paragraph (c) above to determine the price at which mortgages will be purchased. The price upon repurchase by BNS will be equal to the principal outstanding and any accrued and unpaid interest on the mortgage. Mortgage Income Fund will include information in its management report of fund performance relating to mortgages purchased or sold through BNS, SMC or any other related party.

## Analysis of Mortgage Portfolio

### Mortgages by contractual interest rates as at October 14, 2008

<u>Number of Mortgages</u>	<u>Rate of Interest (%)</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
1	2.50 - 2.74	34,168	33,675
1	2.75 - 2.99	89,729	88,809
1	3.00 - 3.24	195,336	193,116
1	3.25 - 3.49	185,284	183,908
2	3.50 - 3.74	149,994	149,235
2	3.75 - 3.99	758,455	742,643
12	4.00 - 4.24	2,360,849	2,351,549
67	4.25 - 4.49	11,076,917	11,056,086
238	4.50 - 4.74	29,617,788	29,532,320
492	4.75 - 4.99	60,407,022	60,158,476
506	5.00 - 5.24	62,056,914	62,041,107
813	5.25 - 5.49	92,326,824	92,464,902
670	5.50 - 5.74	74,369,598	74,786,535
422	5.75 - 5.99	41,247,023	41,733,941
208	6.00 - 6.24	16,133,968	16,414,898
123	6.25 - 6.49	8,641,180	8,800,097
86	6.50 - 6.74	5,749,691	5,905,230
51	6.75 - 6.99	3,538,309	3,643,885
21	7.00 - 7.24	1,183,945	1,221,609
17	7.25 - 7.49	745,492	760,018
3	7.50 - 7.74	45,470	47,350
2	8.00 - 8.24	91,163	94,645
1	8.25 - 8.49	45,479	46,727
<b>Total</b>	<b>3,740</b>	<b>411,050,598</b>	<b>412,450,761</b>

### Mortgages by year of maturity as at October 14, 2008

<u>Year Ended</u>	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
2008	172	14,616,384	14,627,303
2009	834	85,587,826	85,738,158
2010	824	81,493,852	81,920,668
2011	855	100,065,077	100,296,190
2012	747	92,535,423	92,996,795
2013	304	36,401,740	36,523,242
2014	4	350,296	348,405
<b>Total</b>	<b>3,740</b>	<b>411,050,598</b>	<b>412,450,761</b>

### Mortgages by geographic location as at October 14, 2008

<u>Province</u>	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
Ontario	1,837	217,341,598	218,060,729
Alberta	477	61,718,302	61,951,083
British Columbia	420	60,375,689	60,521,963
Quebec	289	23,319,629	23,430,280
Nova Scotia	228	15,649,937	15,723,955
New Brunswick	193	12,131,633	12,187,943
Manitoba	108	8,154,469	8,176,277
Newfoundland	88	4,658,666	4,684,273
Saskatchewan	66	4,711,205	4,716,972
Prince Edward Island	24	1,407,535	1,410,686
Yukon	4	815,123	818,007
Northwest Territories	6	766,812	768,593
<b>Total</b>	<b>3,740</b>	<b>411,050,598</b>	<b>412,450,761</b>

### Mortgages by type of property as at October 14, 2008

	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
Single family Dwelling	3,496	389,301,628	390,659,929
Condominiums	171	14,401,242	14,426,028
Multi-Unit Dwelling of up to 8 Units	73	7,347,728	7,364,804
<b>Total</b>	<b>3,740</b>	<b>411,050,598</b>	<b>412,450,761</b>

### Mortgages having instalments 90 days or more in arrears as at October 14, 2008

<u>Type</u>	<u>Number of Mortgages</u>	<u>Arrears (\$)</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
Single Family Dwelling	2	2,305	104,665	106,283

### Self-Dealing Restrictions for Dealer-Managed Mutual Funds

The Funds that are considered to be “dealer-managed funds” for the purposes of NI 81-102 are subject to certain additional restrictions.

Unless the transaction is approved by the Independent Review Committee of the Funds, these Funds shall not knowingly make an investment in any class of securities of any issuer, other than those issued or fully and unconditionally guaranteed by the Government of Canada or of a Province (or by an agency thereof):

- (a) for which the Funds’ portfolio advisor, or an associate or affiliate of the portfolio advisor, has acted as an underwriter in the distribution of such class of securities of the issuer (except as a member of the selling group distributing 5% or less of

the securities underwritten) for a period of at least 60 days following the conclusion of the distribution of the underwritten securities to the public; or

- (b) of which any partner, director, officer or employee of the portfolio advisor or any partner, director, officer or employee of any affiliate or associate of the portfolio advisor is an officer or director, provided that this prohibition shall not apply where any such partner, director, officer or employee does not participate in the formulation of investment decisions made on behalf of the Funds; does not have access prior to implementation of investment decisions made on behalf of the Funds; and does not influence (other than through research, statistical and other reports generally available to clients) the investment decisions made on behalf of the Funds.

Subject to certain conditions, the Funds have received an exemption from the CSA to invest in certain debt securities which, in the absence of such exemption, would be prohibited under NI 81-102. Pursuant to the exemption, the Funds may purchase from, or sell to, related dealers that are principal dealers in the Canadian debt securities market, non-government debt securities or government debt securities in the secondary market provided that the Independent Review Committee of the Funds has approved the transaction and subject to certain other conditions. The Independent Review Committee has reviewed SSI's policies and procedures related to trading in debt securities with related dealers and has given its approval, as a standing instruction, for the Funds to purchase debt securities from, or sell debt securities to, related dealers in the secondary market.

### **Related Party Investments**

The Funds are permitted to invest in securities of BNS, which is the parent company of the Manager, and securities of other parties related to the Manager or to the portfolio advisors of the Funds, subject to certain conditions imposed by the Independent Review Committee of the Funds. In addition, the Funds have received an exemption from the CSA that permits them to invest in debt securities of related entities in the secondary market, provided that the Independent Review Committee has approved the transaction and provided that the transaction complies with certain pricing requirements. The Independent Review Committee has reviewed SSI's policies and procedures related to investing in securities of related parties and has given its approval, as a standing instruction, for the Funds to invest in such related party securities. Pursuant to this standing instruction and any conditions set out in the standing instruction or the exemption (if applicable), the Funds may purchase common shares and debt securities of BNS or any other related party to the Funds or SSI, and the U.S. Index Fund may invest in securities of the parent company of its portfolio advisor, State Street Global Advisors, Ltd.

### **Derivatives**

The Funds may use or invest in derivative instruments consistent with their investment objectives and as permitted by the CSA. The Funds may use derivatives to hedge against certain investment risks, such as currency and interest rate fluctuations and stock market volatility. The Funds may also invest in derivatives for non-hedging purposes, such as creating exposure to

domestic and international financial markets, investing in financial market downturns and facilitating and reducing the cost of portfolio transactions.

CanAm Index Fund will invest in futures contracts to create exposure to the performance of the S&P 500 Index. International Index Fund will invest in futures contracts to create exposure to the equity performance of stock markets of selected countries. Investing in, or using, derivatives is subject to certain risks.

## **UNITS OF THE FUNDS**

### **What are Units of the Funds?**

Each of the Funds is authorized to issue an unlimited number of units, each of which represents an equal undivided interest in the property of that particular Fund. All units of a Fund of the same class have equal rights and privileges with respect to the distribution of income and liquidation of the assets of the Fund after deducting expenses allocated to that class of that particular Fund. There is no “par value” or similar fixed value for units of any of the Funds. Rather, the value of each unit will fluctuate proportionately with the market value of the assets of a Fund. The U.S. Money Market Fund and U.S. Bond Fund are valued and reported for most purposes in U.S. dollars. The value of a unit of each Fund at any given time is called the “NAV per unit” and the procedures followed in calculating the NAV per unit are summarized below under “How the Units are Valued”.

When issued, the units of each Fund are fully paid and non-assessable and have no pre-emptive or conversion rights. Fractions of units may also be issued. As a holder of units of a Fund, you are entitled to require the Fund to redeem your units at the price described under “How to Sell Units”. Your units are generally redeemable without restriction. As a unitholder of a Fund, you have the right to exercise one vote for each whole unit held at all meetings of unitholders of that class of units of that particular Fund. Fractional units carry the rights and privileges and are subject to the restrictions and conditions described above for units in the proportions that they bear to one unit, except that any holder of a fractional unit is not entitled to vote in respect of such fractional unit.

Unitholders are entitled to receive notice of unitholder meetings. At unitholder meetings, unitholders are entitled to one vote for each whole unit owned by them. Subject to any exemption of the CSA obtained by a Fund, unitholders currently have the right to vote on:

1. the appointment of a new manager, unless the new manager is an affiliate of SSI;
2. a change in the fundamental investment objectives of a Fund;
3. a decrease in the frequency of calculating the NAV per unit of a Fund;
4. in certain limited circumstances, a merger of a Fund into another Fund where the unitholders of the Fund will become the unitholders of another Fund as a result of the merger; and

5. in certain limited circumstances, a merger of a Fund into another Fund (the “Continuing Fund”) where the merger would be a significant change for the unitholders of the Continuing Fund.

Because unitholders in classes other than the Advisor Class are not charged sales commissions or redemption fees when they invest in or redeem units of the Funds, unitholder meetings in respect of Class A, Class F, Class I, Premium Class or Scotia Private Client units are not required to approve any increase in the fees or expenses charged to the Funds if these unitholders are notified of the change at least 60 days before the effective date of the increase.

### **Class A Units, Class F Units, Class I Units, Premium Class Units and Scotia Private Client Units**

All of the Funds, other than the Cassels Government Bond Fund, Cassels Corporate Bond Fund, Cassels Advantaged Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund issue Class A units. Each of the Funds, other than the T-Bill Fund, Premium T-Bill Fund, Money Market Fund, U.S. Money Market Fund, Cassels Government Bond Fund, Cassels Corporate Bond Fund, Cassels Advantaged Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels Cyclical Fund, Cassels U.S. Equity Fund, Cassels International Equity Fund and the Scotia Vision Portfolios, also issue Class F units. The Mortgage Income Fund, Income Fund, Cassels Government Bond Fund, Cassels Corporate Bond Fund, Global Bond Fund, Dividend Fund, Cassels Canadian Equity Fund, Canadian Growth Fund, Small Cap Fund, Resource Fund, Cassels U.S. Equity Fund, U.S. Growth Fund, U.S. Value Fund, Cassels International Equity Fund, European Fund, International Index Fund, Money Market Fund, Canadian Bond Index Fund, Canadian Index Fund, Canadian Blue Chip Fund, U.S. Index Fund, Global Fund, Global Opportunities Fund, Global Small Cap Fund, International Value Fund, Climate Change Fund, Pacific Rim Fund and Latin American Fund also issue Class I units. Each of Money Market Fund, Income Fund, Monthly Income Fund, Tactical Allocation Fund, Dividend Fund, Canadian Growth Fund, International Value Fund, Global Fund, Global Opportunities Fund, Climate Change Fund and the Scotia Selected Portfolios, also issue Advisor Class units, which are offered under a separate simplified prospectus and annual information form. In addition, the Money Market Fund offers Premium Class units. Each of the Scotia Private Client Class Funds also issues Scotia Private Client units. European Fund also issues Class E units which are not offered to the public. Each Advisor Class, Class A, Class E, Class F, Class I, Premium Class and Scotia Private Client unit is an equal undivided interest in the assets of such Fund and ranks equally with all other units of the Fund with respect to income distributions and asset liquidation upon termination of the Fund. Expenses will, however, be allocated differently between the various classes.

Unitholders who hold units in a Fund that has more than one class of units will be entitled to vote separately at any meeting of unitholders of that class if the matter concerns unitholders of that class only. All unitholders of a Fund, regardless of which class of units they hold, are entitled to vote at a meeting of unitholders whenever the matter concerns all unitholders of the Fund.

Upon liquidation or termination of a Fund, each unitholder is entitled to participate equally in the assets of the Fund after deducting the expenses of the Fund allocated to the class of units held.

### **Special Considerations – the U.S. Money Market Fund and U.S. Bond Fund**

**Currency** – The U.S. Money Market Fund and U.S. Bond Fund units are valued in U.S. dollars. Please refer to “What are Units of the Funds?”.

**Currency Restriction** - Investors must pay for units of the U.S. Money Market Fund and U.S. Bond Fund and receive cash distributions and redemption proceeds from the U.S. Money Market Fund and U.S. Bond Fund in U.S. dollars.

### **How the Units are Valued**

The NAV per unit of each Fund (reported in U.S. dollars in the case of the U.S. Money Market Fund and U.S. Bond Fund) represents the market value of all assets of the Fund less any liabilities, divided by the total number of units of the Fund outstanding at that time. The NAV per unit is the basis for all unit purchases from each Fund (including purchases on reinvestment of distributions) and all unit sales back to each Fund (redemptions or sell orders).

In the case of Funds that issue more than one class of units, a separate NAV per unit is calculated for each class of units offered. In calculating the NAV of each class, two levels of expenses are taken into account. Expenses that are not class specific are allocated daily to each class based on the relative NAV of each class or as is equitable. Expenses that are class specific are charged daily specifically to the relevant class. The resulting class NAV is divided by the number of units outstanding in the class to arrive at the class NAV per unit. Units are purchased, distributions are reinvested and redemptions are processed at the class NAV per unit applicable to the transaction.

The NAV per unit of the Funds is determined as of the close of business on each business day unless the Funds have declared a suspension of the determination of the NAV as described under “How to Sell Units”. The term “business day” means a day on which the Toronto Stock Exchange is open for trading in securities and the term “close of business” means the actual time of the close of trading on the Toronto Stock Exchange. The NAV per unit so determined at any time remains in effect until the time as at which the next determination of NAV per unit is made.

Where any decrease in the frequency of calculating NAV of a Fund is proposed, such decrease must be approved by the unitholders of the Fund, such approval to be expressed by at least a majority of the votes cast at a meeting of the unitholders duly called for the purpose of considering the same.

For the purpose of determining NAV at any time, the issue or redemption of units of a Fund shall be reflected in the computation of NAV of that Fund no later than the next computation of such NAV made after the time at which the NAV per unit is determined for the purpose of issue or redemption of such units of the Fund. Each transaction of purchase or sale of portfolio securities effected by a Fund shall be reflected in the first computation of such NAV made after the date on which the transaction becomes binding.

Although no assurance can be given, the Manager expects the value of units of the T-Bill Fund, Premium T-Bill Fund, Money Market Fund and U.S. Money Market Fund to be maintained at the issue price of \$10.00 per unit (in Canadian or U.S. dollars as applicable) as all net interest income earned and net capital gains realized by such Funds are calculated at the close of business on each business day and credited to accounts maintained for the benefit of unitholders of record at that time. Net realized capital gains on the U.S. Money Market Fund may be declared payable from time to time. By the close of business on the last business day of the month, all such amounts not previously distributed are distributed in the form of additional units unless a unitholder has requested in writing to receive cash distributions.

In making the calculation of NAV per unit of a Fund to determine the price for purchases and redemptions, as of the close of trading on any day:

- (a) the value of cash on hand or on deposit, Government of Canada treasury bills and short term paper or certificates of deposit of Canadian chartered banks shall be deemed to be the cost thereof;
- (b) the value of any security that is a debt obligation (other than the securities referred to in paragraph (a) above) which, at the time of acquisition, had a remaining term to maturity of one year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition. For the purposes of the foregoing, interest accrued will include amortization over the remaining term to maturity of any discount or premium from face value of any obligation at the time of its acquisition;
- (c) other than money market funds, all Funds value bonds, debentures and other obligations (other than the securities referred to in paragraph (a) above) which, at the time of acquisition, had a remaining term to maturity of more than one year, by taking the average of the latest bid and ask quotations on that day;
- (d) floating rate bonds held by money market funds are valued at cost plus accrued interest and plus or minus amortization;
- (e) equity securities listed on a public securities exchange will be valued at their last sale price on that day or, if no sales are reported, at a price determined by the Manager but generally not higher than the closing asked price and not lower than the closing bid price. Where equity securities are listed or traded on more than one public securities exchange or are actively traded on over-the-counter markets while being listed or traded on such securities exchanges, such securities will be valued on the basis of the market quotation which, in the opinion of the Manager, most closely reflects their fair value. In calculating the value of foreign equity securities listed on securities exchanges outside of North America, the Manager will place values on such securities that appear to most closely reflect the fair value of such securities at the time of NAV calculation;
- (f) unlisted equity securities will be valued at their last ascertainable price or, in the absence of a price or if the Manager reasonably believes that the last ascertainable

sale price does not properly reflect the value of a particular security, the mean of the most recently published bid and asked prices;

- (g) where a Fund invests in dividend-paying shares, the amount of dividends on such shares which have been declared but not yet received by the Fund will be added to the value of the Fund on the date that the shares are traded “ex-dividend”;
- (h) in respect of Mortgage Income Fund, the value of a mortgage is calculated in the same way as the purchase price of such mortgage would be calculated as described under “Investment Restrictions and Practices”;
- (i) securities of the underlying fund(s) held by the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios will be valued at their respective security values on the relevant valuation date. Where the underlying funds are not managed by the Manager, the security values are communicated by the managers of the underlying funds to the Manager;
- (j) long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and index, commodity and listed warrants shall be valued at the current market value thereof;
- (k) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit, which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at their current market value;
- (l) securities quoted in foreign currencies will be translated to Canadian dollars to reflect the exchange rate at the time as of which the NAV per unit is being determined;
- (m) securities which a Fund has agreed to purchase or sell shall be included or excluded as if the agreements were in fact fully carried into effect;
- (n) with respect to interest accrued but not yet received or other amounts receivable by a Fund, the amount of such accrued interest or other amounts shall be added to the value of the Fund;
- (o) with respect to management, trustee, custodian, and other expenses to be borne by the Fund, accrued but not yet paid, the amount of such accrued expenses shall be deducted from the value of the Fund. In the case of each of the Funds, other than the T-Bill Fund, Premium T-Bill Fund, U.S. Money Market Fund, Cassels Advantaged Income Fund, Cassels North American Equity Fund, Cassels Cyclical

Fund and the Scotia Vision Portfolios, such accrued expenses shall be allocated between each class of units of the Fund and deducted from the value of the appropriate class of units of the Fund;

- (p) futures contracts and forward contracts will be valued at their market value at the time NAV is calculated and any difference resulting from valuation will be treated as an unrealized gain or loss on investment;
- (q) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (r) the value of any precious metals (including coins, bullion and certificates and other evidences of precious metals) and other commodities will be their current market value generally based on prevailing market prices as reported on exchanges or other markets; and
- (s) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason), shall be the fair value thereof determined in such manner as the Manager may from time to time determine. In the past three years, the Manager fair valued certain listed securities, in respect of which trading was suspended, using their last trade price. Other securities were fair valued using a price deemed reasonable, pending the listing of such securities on a public exchange. The Manager has also fair valued special warrants issued by a listed company. These special warrants were not listed on an exchange but were convertible into the listed securities. Given the value of these special warrants as a percentage of the overall net assets of the Fund, the Manager fair valued the special warrants based on the value of the underlying listed securities.

The above principles are used to calculate the net asset value of the Funds to determine the price for purchases and redemptions. This valuation policy differs from the valuation method required for financial reporting under the Canadian Institute of Chartered Accountants Handbook (“CICA Handbook”). The CICA Handbook requires that fund securities in an active market be valued using the bid price in financial statements. The primary differences between the methods in the Manager’s valuation policy and the CICA Handbook are that the Manager will generally determine the fair value of equity securities traded on a stock exchange by using the closing price on the exchange. For bonds, debentures and other debt obligations, the Manager will generally use the average of the bid and ask prices to determine the fair value. While National Instrument 81-106 requires the net asset value of a Fund be determined using the fair value of the Fund’s assets and liabilities, it does not require the Fund to determine the fair value in accordance with the CICA Handbook for purposes other than financial reporting.

## HOW TO PURCHASE AND SELL UNITS OF THE FUNDS

### How to Purchase Units

Units of the Funds are offered for sale on a continuous basis at their NAV per unit from time to time, computed in the manner described under “How the Units are Valued”. There are generally no sales commissions or other fees payable on the purchase of units. Class A units may be purchased directly from SSI, ScotiaMcLeod and ScotiaMcLeod Direct Investing (collectively, “ScotiaMcLeod”) or Scotia Capital in such provinces and territories where SSI, ScotiaMcLeod or Scotia Capital are qualified to receive orders for purchase or with dealers and brokers qualified in your province or territory. Orders to purchase units of the Funds may also be placed with representatives of SSI at branches of BNS, Montreal Trust, National Trust and Scotiatrust. Prospective purchasers of Class F units must have a fee-based account with ScotiaMcLeod. Class F units may also be made available to other investors, as determined by SSI from time to time. Class I units may only be purchased by eligible institutional investors and other qualified investors as determined by SSI. Premium Class units may only be purchased by investors who meet the required minimum investment, as determined by SSI from time to time. Scotia Private Client units may only be purchased by clients of Scotia Cassels or Scotiatrust that have entered into a discretionary management agreement. Advisor Class units, which are offered for sale under a separate simplified prospectus and annual information form, are available through authorized dealers and brokers, including ScotiaMcLeod.

All orders for units of a Fund will be forwarded to the Fund for acceptance or rejection and the Fund reserves the right to reject any order in whole or in part. Dealers and brokers must transmit an order for units to the head office of a Fund and must make such transmittal wherever practical by courier, priority post or telecommunications facility without charge to you on the same day your completed purchase order is received. As a security policy (which may be changed at the discretion of the Manager) the Funds, except as provided below, generally will not accept purchase orders placed by telephone or wire directly by an investor. The decision to accept or reject your purchase order will be made promptly and, in any event, within one business day of receipt of your order by the Fund. Telephone orders and Internet orders may be placed with SSI representatives at branches or call centres of the BNS Group. Speak to your registered investment professional for details. If your order is rejected, all monies received with your order will be returned to you immediately. A fee may also be imposed for short-term trading.

The minimum amounts for initial and subsequent purchases of Class A and Premium Class units of the Funds are set out in the table below. For Class F units of a Fund (except the 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 below. For Class I units of a Fund, the minimum initial investment is generally \$1,000,000. The minimum initial investment for a Scotia Private Client Class Fund is generally \$250,000.

The minimum amounts may be varied or waived at any time without notice at the absolute discretion of the Manager. The Manager reserves the right to terminate your account with a Fund if the NAV of your investment in the Fund falls below the applicable minimum for

an initial purchase. Your dealer or broker may impose higher minimum initial or additional investment amounts.

Fund	Minimum initial investment		Minimum additional investment (including Pre-Authorized Contributions <sup>2</sup> )
	All accounts except <i>ican Invest</i> <sup>TM</sup> Program <sup>3</sup> 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 <sup>1</sup>	\$2,000	\$10,000	\$50
Scotia Money Market Fund (Premium Class) <sup>4</sup>			
Scotia Premium T-Bill Fund <sup>4</sup>	\$100,000	\$250,000	\$500
Scotia Global Growth Fund	\$100	\$5,000	\$25
Scotia U.S. \$ Bond Fund <sup>1</sup>			
<b>All other funds</b>	\$500	\$5,000	\$50
Scotia Partners Portfolios	\$5,000	\$5,000	\$50
Scotia Selected Portfolios			
Scotia Vision Portfolios	\$2,500	\$2,500	\$50

<sup>1</sup> You must use U.S. dollars to buy this fund.

<sup>2</sup> 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.

<sup>3</sup> The minimum initial investment for the Monthly Income Fund, Balanced Fund, Tactical Allocation Fund and Global Fund is waived when these Funds are purchased through the *ican Invest* Program offered through BNS. See page 29 for details.

<sup>4</sup> The Manager reserves the right, without notice to you, to change your Premium Class units into Class A units of the Money Market Fund and to switch your units of the Premium T-Bill Fund for units of the 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 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.

The NAV per unit for the purpose of issuing units is the NAV per unit next determined following receipt of a purchase order. No unit certificates will be issued by the Funds.

Payment for all orders of units must be received at the head office of the Funds on or before the third business day from (but not including) the day the subscription price for the units is determined. Where payment of the subscription price is not received, a Fund is deemed to have received and accepted on the first business day following such period an order for redemption of the units and the redemption proceeds are applied to reduce the amount owing to the Fund in respect of the purchase of the units. If the amount of the redemption proceeds exceeds the subscription price of the units, the Fund is permitted to retain the excess. If the amount of the redemption proceeds is less than the issue price of the units, SSI, as principal distributor of the Funds, must pay to the Fund the amount of the deficiency. SSI is entitled to collect such amounts together with its costs, charges and expenses in so doing and interest thereon from dealers or brokers making the order for units. Those dealers or brokers may, in turn, collect such amounts from the investor who failed to pay the subscription price. Where no dealers or brokers have been involved in an order for units, SSI is entitled to collect such amounts described above from the investor who has failed to make payment for the units ordered.

Other than the short-term trading fee described below, the Funds do not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing unitholders 60 days written notice of the amount and particulars of such fee. The Funds currently have no intention to impose such fees on any of the classes described in this annual information form during the next 12 months.

### **Sales Charges**

You may pay a sales charge or other fee if you buy units of a Fund through a dealer other than SSI or ScotiaMcLeod. You negotiate any charge or fee directly with your dealer.

### **Sales Commissions**

The Manager may pay employees of SSI an up-front sales commission of up to 1% of the amount invested by a unitholder.

### **Service Fees and Sales Incentive Programs**

The Manager may pay its employees, registered brokers and dealers a service fee on Class A and Premium Class units of the Funds. This fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of the Class A and/or Premium Class units you hold. The Manager does not pay service fees on Class F, Class I or Scotia Private Client units. From time to time, prizes such as cash or merchandise, may be awarded in connection with sales of units of the Funds to individual employees or to BNS, Montreal Trust, National Trust or Scotiatrust branches to be distributed to or used for the general benefit of branch employees. Scotia Cassels may pay brokers and dealers a referral fee of up to one-half of

any advisory fee paid by its clients in the first year. See “Dealer compensation” in the Funds’ simplified prospectus for details about service fees and sales incentive programs.

In addition, BNS may also include sales of units of the Funds in its general employee incentive programs which involve many different BNS products.

### **How to Switch Funds**

You can switch from one ScotiaFund to another ScotiaFund as long as you are eligible to hold the particular class of the ScotiaFund into which you switch. When your order is received, the units of the first Fund are sold, and the proceeds are used 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.

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 may only 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.

### **How to Reclassify Units**

You can change your units of one class to another class of units of the same Fund, as long as you are eligible to hold that class. Your dealer may charge you a fee to reclassify your units.

### **How to Sell Units**

You may at any time sell your units back to a Fund by following the procedures described in the following section, unless at that time the Fund’s obligation to purchase your units has been temporarily suspended by the Fund with, where necessary, the prior consent of the Ontario Securities Commission. Your request to have a Fund buy back your units constitutes a “redemption” by the Fund when completed and may be referred to in this annual information form as a “sell order” to the Fund. The redemption price for the units which are the subject of your sell order will be the NAV next determined following receipt of your sell order by the Fund. Payment for your units sold will be issued by cheque within three business days after receipt by the Fund of your sell order. **The Manager cannot accept sell orders specifying a forward date or price, and sell orders will not be implemented before the Manager has actually received payment for units issued to you under a prior purchase order.**

Short-term trading (including “market-timing” trading) can increase a Fund’s expenses, which affects all unitholders of the Fund. The Manager has systems in place to monitor for short-term trades. These systems have the capability to detect and mark any redemption or switching that occurs within 31 days of the purchase of the relevant units. The Manager reviews the marked transactions on a regular basis and determines whether any further action is required. If it is determined that a redemption or switch constitutes a short-term trade, the Fund may charge a fee of 2% of the amount redeemed or switched. This short-term trading fee is retained by the Fund. This fee does not apply to investments in the T-Bill Fund, Premium T-Bill Fund, Money Market Fund or U.S. Money Market Fund, as these Funds are meant to be highly liquid. The Manager may waive the fee. While the fee will generally be paid out of the redemption

proceeds of the Fund in question, SSI has the right to redeem units of other Funds in your account without notice to you to pay for the short-term trading fee. SSI may, in its sole discretion, decide which units should be redeemed and the manner in which to do so.

The Manager may cause the redemption of all outstanding units of a Fund held by a unitholder after giving 10 days written notice if the aggregate NAV of such units in a Fund declines below the minimum initial purchase amounts described under “How to Purchase Units”.

### **How to Submit a Sell Order**

The following is a summary of the procedure that you must follow when submitting a sell order. The Manager, however, may from time to time adopt additional permissible procedures and, if so, will advise all unitholders of such procedures.

Your sell order must be in writing and bear an authorized signature from your bank, trust company or investment dealer and such other evidence of proper authority as a Fund may reasonably require. Any sell order by a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by customary documentation evidencing the signatory’s authority. Sell orders are effective only when all documentation is in order and received by the head office of a Fund. Any of these requirements may be waived at any time without notice in the absolute discretion of the Manager. Your sell order may be submitted to SSI, ScotiaMcLeod or Scotia Capital in such provinces and territories where SSI, ScotiaMcLeod or Scotia Capital are qualified to sell units of the Funds. Sell orders may also be submitted to your registered dealer or broker. You may also submit your sell order to representatives of SSI at branches of BNS, Montreal Trust, National Trust and Scotiatrust. Dealers and brokers must transmit the particulars of a sell order to a Fund on the same day it is received at no charge to the investor and to make such transmittal wherever practical by courier, priority post or telecommunications facility. As a security policy (which may be changed at the discretion of the Manager), the Funds will generally not accept sell orders placed by telephone, wire or by other electronic means directly from unitholders.

If a unitholder fails to provide a Fund with a duly completed sell order within ten business days of the date on which the NAV was determined for purposes of the sell order, the Fund is deemed to have received and accepted, as of the close of business on the tenth business day, an order for the purchase of the equivalent number of units being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such units. If such amount is less than the redemption proceeds, the Fund is permitted to retain the excess. If such amount exceeds the redemption proceeds, SSI, as principal distributor of the Funds, must pay the applicable Fund the amount of the deficiency. SSI is entitled to collect such amount together with its costs and interest thereon from dealers or brokers placing the redemption order and those dealers or brokers may collect such amounts from the investor who failed to provide the duly completed sell order. Where no dealers or brokers have been involved in a redemption order, SSI is entitled to collect such amounts described above directly from the investor who failed to provide the duly completed sell order.

All sell orders will be processed in the order in which they are received. Sell orders involving transfers to or from Registered Plans (defined below) may incur delays if the transfer

documents are not completed in the sequence prescribed by Canada Revenue Agency, and release of the sale proceeds cannot be made by a Fund until all administrative procedures involved with such Registered Plans are complete.

## **INVESTMENT OPTIONS**

### **Pre-Authorized Contributions**

You can set up regular pre-authorized contributions for any of the Class A or Premium Class units of the Funds held by you provided that you meet the minimum investment amounts indicated under “How to Purchase Units”. You select the frequency of your purchases, which may be weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually, by pre-authorizing payments from your bank account at BNS or any other major Canadian financial institution.

By written notice to the Fund, you may change the amount of each purchase or the frequency of purchase or you may discontinue the plan at any time without penalty. Forms used to begin pre-authorized contributions can be obtained when you place your order. Similar automatic investment plans for Class A, Class F and Premium Class units of the Funds may be available through ScotiaMcLeod and other dealers.

The Funds received an exemption from the requirement to deliver a renewal simplified prospectus (and any amendment thereto) to investors purchasing units of the Funds under pre-authorized contributions or similar plans. For more information, refer to “Pre-authorized Contributions” in the Funds’ simplified prospectus.

### ***ican Invest*<sup>TM</sup> Program**

The *ican Invest* Program (the “Program”) offered by BNS 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 do not apply to units of some Funds when purchased through the Program. See page 25 for details.

### **Registered Plans**

You may open a Scotia RRSP, RRIF, LIRA, LRSP, LIF, LRIF, PRIF, TFSA or RESP (collectively, “Registered Plans”) for units of the Funds. Minimum initial and subsequent deposits for a Scotia Registered Plan are the same as those set out under “How to Purchase Units”. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager. Units of the Funds may also be held in a self-directed RRSP or RRIF with any other financial institution as may be approved by the Manager, but such plans may be subject to fees.

You may open a Scotia Registered Plan (or other similar plans that may be offered by the Manager) by completing an application form and declaration of trust which you may obtain

directly from branches of BNS, Montreal Trust, National Trust and Scotiatrust or from the offices of a participating dealer appointed by SSI in certain provinces and territories.

**You are urged to consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the Income Tax Act (Canada) (the “Tax Act”) and applicable provincial tax legislation.** It is your responsibility as a holder of a Registered Plan to determine the consequences to you under relevant income tax legislation. The Funds assume no liability as a result of Scotia Registered Plans being made available.

### **Automatic Withdrawal Plan**

Class A, Class F and Premium Class unitholders may establish an automatic withdrawal plan (in U.S. or Canadian dollars in the case of the U.S. Money Market Fund and U.S. Bond Fund) under which sufficient units of a Fund will be redeemed on a periodic basis in order to provide these unitholders with regular cash payments. To establish and maintain an automatic withdrawal plan for Class A or Class F units, the following minimum initial balance and withdrawal amounts apply, which may be varied or waived at any time without notice in the absolute discretion of the Manager:

<b>Fund</b>	<b>Minimum Balance to start the Plan</b>	<b>Minimum for each Withdrawal</b>
T-Bill Fund Money Market Fund <sup>1</sup> U.S. Money Market Fund <sup>2</sup>	\$10,000	\$100 <sup>1</sup>
Premium T-Bill Fund	\$250,000	\$500
All other Funds <sup>2</sup>	\$5,000	\$50 <sup>1</sup>

<sup>1</sup> 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 the Money Market Fund.

<sup>2</sup> You must use U.S. dollars for the U.S. Money Market Fund and U.S. Bond Fund

You may amend or terminate your automatic withdrawal plan without charge upon written notice to the Manager. This amendment or termination will be effective within 30 days of receipt of that notice.

Under a withdrawal plan, if the regular withdrawals are in excess of distributions other than capital distributions, these withdrawals will encroach on or exhaust the capital you have invested. Automatic withdrawal plans are not available for RRSP and other Registered Plans.

You may realize tax consequences on any redemption or other transfer of units. See “Tax Treatment of Your Investment”.

### **TAX TREATMENT OF YOUR INVESTMENT**

The following summarizes the principal Canadian federal income tax considerations generally applicable to the Funds and their Canadian resident unitholders who are individuals

(other than trusts) and who hold their units as capital property. The summary is based on the current provisions of the Tax Act and the regulations made under the Tax Act (the “Regulations”), proposals to amend the Tax Act and the Regulations publicly announced prior to the date hereof (the “Proposals”) and the current published administrative practices and assessing policies of the Canada Revenue Agency. This summary is not exhaustive of all possible income tax considerations and is based upon the Funds qualifying as mutual fund trusts under the Tax Act effective at all material times. The Manager expects that the Funds will so qualify. Prospective purchasers of units are advised to consult their own tax advisor about their particular circumstances.

### **Tax Status of the Funds**

Each Fund will distribute to its unitholders in each year its net income and net realized capital gains, if any, to such an extent that it will not be liable in any taxation year for income tax under Part I of the Tax Act (taking into account any entitlement to a capital gains refund). Capital or income losses incurred by a Fund cannot be allocated to unitholders but may, subject to certain limitations, be deducted by the Fund from capital gains or net income realized in subsequent taxation years. All of a Fund’s deductible expenses, including expenses common to all classes of units of the Fund and management fees and other expenses specific to a particular class of units of the Fund, will be taken into account in determining the income or loss of the Fund as a whole. In certain cases this may result in expenses attributable to a class, or classes, of units of a Fund being used to reduce the income attributable to another class, or classes, of units of the Fund. Income derived from foreign sources may be subject to foreign withholding taxes which, to the extent designated by the Fund and permitted by the Tax Act, may be claimed as a credit by unitholders. Generally, gains from derivatives (including futures and forwards contracts) used for non-hedging purposes and from trading in precious metals will be taxed as income as opposed to capital gains. In certain circumstances, capital losses realized by the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund, the Scotia Partners Portfolios, the Scotia Selected Portfolios and the Scotia Vision Portfolios may be suspended and therefore not be available to shelter capital gains.

On November 9, 2006, the Minister of Finance (Canada) released revised tax proposals regarding the taxation of investments in foreign investment entities (“FIEs”). These rules are proposed to apply for taxation years that begin after 2006. These proposals may require a Fund, if it invests in a “participating interest” of a FIE to include in income for tax purposes each year: (i) an amount equal to a prescribed percentage of the Fund’s “designated cost” of its participating interest in the FIE, (ii) if the Fund so elects, and certain conditions are met, any gain on such participating interest on a mark-to-market basis whether or not such gain has been realized, or (iii) if the Fund so elects and certain conditions are met, its share of the FIE’s income (or loss) calculated using Canadian tax rules. In limited circumstances, the resulting gain under the mark-to-market regime may be treated on capital account. Accordingly, if these tax proposals apply to a Fund, the Fund may be required to include in income amounts that the Fund has not earned or received and unitholders will be taxable on the portion of such amounts payable to them by the Fund as described below.

New rules have been enacted affecting the way certain publicly traded income trusts are taxed. Generally, these rules include a tax on certain distributions from affected income trusts

(excluding certain REITs). The trust paying the distribution is subject to the tax, which is levied at a rate that is equivalent to the federal general corporate rate, plus 13% on account of provincial tax. Generally, the amount of such distribution to a unitholder will be taxed in the hands of the unitholder as though it were a taxable dividend from a taxable Canadian corporation, which will be eligible for the enhanced dividend tax credit if paid to a resident of Canada. These measures 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.

### **Tax Status of Unitholders**

Unitholders must include in income the net income and the taxable portion of net realized capital gains, if any, payable to them in a year by a Fund (including management fee distributions), whether paid in cash or by reinvestment in additional units. To the extent that distributions (including management fee distributions) to a unitholder by a Fund in any year exceed that unitholder's share of the net income and the net realized capital gains of the Fund, such distributions will be a return of capital and will not be taxable but will reduce the adjusted cost base of the unitholder's units. If the adjusted cost base of a unitholder's units is reduced to less than zero, the unitholder will be deemed to realize a capital gain to the extent of the negative amount and the adjusted cost base of the units will be increased to nil. When a unitholder acquires units of a Fund, the NAV of the units may reflect amounts on account of accrued but undistributed income, realized but undistributed capital gains, and unrealized capital gains. When these amounts are distributed to unitholders, they must be included in the unitholder's income even though they accrued to the Fund prior to the time that the unitholder acquired units of the Fund.

Each Fund will make designations, to the extent permitted by the Tax Act, such that taxable capital gains, taxable dividends from taxable Canadian corporations and foreign source income will retain their character in the hands of unitholders for tax purposes. An enhanced dividend tax credit is available for certain eligible dividends received from Canadian corporations. Unitholders will be deemed, for foreign tax credit purposes, to have paid their proportionate share of foreign taxes on such foreign income.

Generally, the Funds will distribute gains from derivatives (including futures and forward contracts) used for non-hedging purposes and from trading in precious metals as income rather than as capital gains.

Upon a disposition of a unit, unitholders will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of their unit at such time plus any costs of disposition. A change of units of one class of a Fund to units of another class of the same Fund will not result in disposition of the units changed. Unitholders who hold units of the U.S. Money Market Fund and U.S. Bond Fund may realize a capital gain (or capital loss) on a disposition of such units by virtue of changes in the value of the United States dollar relative to the Canadian dollar during the period that the units are held. Generally, unitholders must include one-half of a capital gain in computing income and may

deduct one-half of a capital loss from taxable capital gains. Capital gains and taxable dividends realized by an individual may give rise to an alternative minimum tax.

Each unitholder will be provided with transaction statements and annual tax information slips reporting income, return of capital, and net realized capital gains distributions needed to complete the unitholder's income tax returns.

### **Tax Sheltered Plans**

Each of the Funds is, or in the case of the Cassels Cyclical Fund is expected to be, effective from the date of its creation in 2008 and at all material times thereafter, a mutual fund trust under the Tax Act. Provided that each of the Funds qualifies as a mutual fund trust under the Tax Act effective at all material times, units of the Funds will be qualified investments for trusts governed by Registered Plans.

## **HOW THE FUNDS ARE MANAGED AND ADMINISTERED**

### **The Manager**

SSI acts as the manager of the Funds pursuant to a Master Management Agreement (the "Management Agreement") dated as of February 14, 2005.

Reductions in management fees for the Funds can be negotiated between the Manager and certain investors in the Funds. The reductions are generally paid at the same time the income distributions are made by the Fund and are settled through distributions of units of the Fund ("management fee distributions") by way of automatic reinvestment in additional units of the Fund. The management fee distributions are intended to attract large investments that might not otherwise be invested in the Funds. (This benefits the Funds and the Manager because administration costs for each dollar invested in the Funds are lower for larger investments.) Unitholders of the Premium T-Bill Fund receive a management fee distribution of 0.20% of the value of the Fund within their account if the value of the Fund is \$250,000 to \$1,000,000 and a management fee distribution of 0.35% of the value of the Fund within their account if the value of the Fund is greater than \$1,000,000. Eligibility for management fee distributions for unitholders of the other Funds is based on the size of the investment made or held in one or more Funds. Management fee distributions are paid first out of net income and net realized capital gains and then out of capital. The Manager may discontinue these reductions at any time upon written notice to the investor or unitholder. SSI will not receive any fees as trustee of the Funds.

The Manager receives fees from the Funds pursuant to the Management Agreement. The Funds are required to pay federal goods and services tax ("GST") on the fees which they pay to the Manager, as well as on most other goods and services they acquire.

## Organization and Management of the ScotiaFunds

<p><b>Manager</b>          Scotia Securities Inc.          16th Floor, 40 King Street West          Toronto, Ontario M5H 1H1  <a href="http://www.scotiabank.com">www.scotiabank.com</a>          1.800.268.9269  <a href="mailto:info@scotiabank.com">info@scotiabank.com</a></p>	<p>As manager, SSI is responsible for the overall business and operation of the Funds.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>● providing or arranging for administrative services</li> <li>● arranging for portfolio advisory services</li> </ul> <p>SSI is a wholly-owned subsidiary of BNS.</p>
<p><b>Trustee</b>          Scotia Securities Inc.          Toronto, Ontario</p>	<p>As trustee, SSI has authority over each Fund's investments in trust for unitholders under the terms described in the Master Declaration of Trust.</p>
<p><b>Principal Distributor</b>          Scotia Securities Inc.          Toronto, Ontario</p>	<p>As principal distributor, SSI markets and sells the Funds where they qualify for sale in Canada. SSI may appoint participating dealers to distribute units of the Funds.</p>
<p><b>Custodian</b>          The Bank of Nova Scotia          Toronto, Ontario</p>	<p>The custodian holds the investments of the Funds and keeps them safe to ensure that they are used only for the benefit of investors. BNS is the parent company of SSI.</p>
<p><b>Registrar</b>          Scotia Securities Inc.          Toronto, Ontario</p>	<p>As registrar, SSI makes arrangements to keep a record of all unitholders of the Funds, process orders and issue account statements and tax slips to unitholders.</p>
<p><b>Auditors</b>          Ernst &amp; Young LLP          Toronto, Ontario</p> <p>Gaviller &amp; Company LLP          Owen Sound, Ontario</p>	<p>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.</p> <p>Gaviller &amp; Company LLP are the auditors of the Income Fund, Global Bond Fund, Dividend Fund, Balanced Fund, Canadian Index Fund, Small Cap Fund and U.S. Index Fund.</p> <p>Ernst &amp; Young LLP are the auditors of all the other Funds.</p>

<b>Portfolio Advisors</b>	
Scotia Cassels Investment Counsel Limited Toronto, Ontario	The portfolio advisors provide investment advice and make the investment decisions for the Funds.
Scotia Capital Inc. Toronto, Ontario	Scotia Cassels and Scotia Capital are, respectively, direct and indirect wholly-owned subsidiaries of BNS, which is the parent company of SSI.
Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia	Connor, Clark & Lunn Investment Management Ltd. is independent of SSI.
State Street Global Advisors, Ltd. Montreal, Québec	State Street Global Advisors, Ltd. is independent of SSI.
AllianceBernstein Canada, Inc. Toronto, Ontario	AllianceBernstein Canada, Inc. is independent of SSI.
TCW Investment Management Company Los Angeles, California	TCW Investment Management Company is independent of SSI.
GlobeFlex Capital, LP San Diego, California	Globe Flex Capital, LP is independent of SSI.
Baillie Gifford Overseas Limited Edinburgh, Scotland	Baillie Gifford Overseas Limited is independent of SSI.
Metropolitan West Capital Management, LLC Newport Beach, California	Metropolitan West Capital Management, LLC is independent of SSI.
Pzena Investment Management, LLC New York, New York	Pzena Investment Management, LLC is independent of SSI.
Thornburg Investment Management, Inc. Santa Fe, New Mexico	Thornburg Investment Management, Inc. is independent of SSI.

The names and municipalities of residence of the directors and officers of SSI, their principal occupations over the past five years, and the positions and offices held with SSI are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with SSI</b>	<b>Principal occupation in the past five years</b>
Glen B. Gowland Caledon, Ontario	President, Chief Executive Officer and Director	<p>From November 2006 to present – President and Chief Executive Officer, SSI and Managing Director and Head, Mutual Funds, BNS</p> <p>From August 2005 to November 2006 – Managing Director, Business Development, Wealth Management, BNS</p> <p>From February 2004 to August 2005 - District Vice President, Toronto Centre, BNS</p> <p>From May 2000 to February 2004 – Vice President, Sales and Marketing, SSI</p>
Walter A. Pavan Oakville, Ontario	Vice President, Treasurer & Chief Financial Officer and Director	Vice President, Treasurer & Chief Financial Officer, SSI, Vice President, BNS and Managing Director, Scotia Capital Inc.
Maria Kallos Toronto, Ontario	Alternate Chief Compliance Officer	<p>From April 2007 to present – Manager, Compliance and Alternate Chief Compliance Officer, SSI</p> <p>From July 2006 to April 2007 – Manager, Compliance, TD Waterhouse</p> <p>From June 2005 to July 2006 – Sales Compliance Officer, Investment Dealers Association of Canada</p> <p>From September 1997 to June 2005 – Retail Compliance Officer, BMO Nesbitt Burns</p>

<b>Name and Municipality of Residence</b>	<b>Position with SSI</b>	<b>Principal occupation in the past five years</b>
Edna A. Chu Toronto, Ontario	Vice President, Compliance and Director	<p>From September 2006 to present - Vice President, Compliance, SSI and Vice President, Deputy Head, Compliance, Wealth Management, BNS</p> <p>From January 2007 to present – Director, Scotia Cassels Investment Counsel Limited</p> <p>From March 2008 to present – Managing Director, Compliance, Scotia Capital Inc.</p> <p>From March 2004 to August 2006 – Assistant Vice President, Compliance, CMA Holdings Incorporated and its subsidiaries and affiliates</p> <p>From January 2000 to March 2004 – Assistant Vice President, Compliance, The Canada Life Assurance Company</p> <p>From November 2001 to March 2004 – Chief Compliance Officer, Canada Life Securities Inc.</p>
Diane Mary Pahl Calgary, Alberta	Trading Officer	<p>From 2004 to present – Regional Compliance Officer, SSI</p> <p>From 2001 to 2004 – Staff Development Officer, BNS</p>
Helena Lau Toronto, Ontario	Secretary	<p>From June 2006 to present – Senior Assistant Manager Subsidiaries and Assistant Secretary, BNS</p> <p>From January 2007 to present – Secretary, Scotia Cassels Investment Counsel Limited</p> <p>Prior to June 2006 – Corporate Law Clerk, BMO Nesbitt Burns Inc.</p>

<b>Name and Municipality of Residence</b>	<b>Position with SSI</b>	<b>Principal occupation in the past five years</b>
Wendy G. Hannam Toronto, Ontario	Director	<p>From October 2008 to present – Executive Vice President, Personal Banking &amp; Distribution, Canada, BNS</p> <p>From March 2006 to October 2008 - Executive Vice President, Domestic Personal Banking &amp; Distribution, BNS</p> <p>From January 2005 to March 2006 - Executive Vice President, Domestic Branch Banking, BNS</p> <p>From December 2003 to December 2004 – Senior Vice President, Sales &amp; Service, BNS</p> <p>From September 2000 to December 2003 – Senior Vice President, Ontario Region, BNS</p>
Russell A. Morgan Mississauga, Ontario	Director	Managing Director & Head, Investments, Group Treasury, BNS
Barbara F. Mason Toronto, Ontario	Chair of the Board and Director	<p>From October 2008 to present – Executive Vice-President, Wealth Management, Canada, BNS</p> <p>From April 2008 to present – President and Director, Scotia Capital Inc.</p> <p>From March 2007 to present – Chair of the Board, Scotia Cassels Investment Counsel Limited</p> <p>From January 2007 to present – Director, Scotia Cassels Investment Counsel Limited</p> <p>From May 2006 to October 2008 – Executive Vice-President, Wealth Management, BNS</p> <p>From January 2005 to May 2006 – Executive Vice-President, Marketing, Sales and Service, BNS</p> <p>From December 2003 to January 2005 - Managing Director &amp; Head, Retail Marketing, BNS</p>

Pursuant to the Management Agreement, SSI is required to provide, or cause to be provided, portfolio management to the Funds, including all decisions as to the purchase and sale of portfolio securities and as to the execution of all portfolio transactions, and all necessary or

advisable administrative services and facilities including valuation, fund accounting and unitholder records. The Management Agreement provides that the Manager may engage or employ any person as its agent to perform administrative functions on behalf of the Funds, and brokers or dealers in connection with the portfolio transactions of the Funds.

The Management Agreement may be terminated by either party giving at least six months prior notice to the other of such termination.

The Management Agreement may only be assigned upon consent of the other party and in compliance with the provisions of the Master Declaration of Trust and all applicable laws, regulations and other restrictions of regulatory authorities in Canada. No changes to the Management Agreement may be made without the approval of unitholders where required by law, regulations or policies of securities regulatory authorities. Where such laws, regulations or policies do not require unitholder approval, the provisions of the Management Agreement may be amended with the approval of the Trustee and the Manager.

### **The Portfolio Advisors**

SSI has engaged Scotia Cassels, Scotia Capital, TCW Investment Management Company (“TCW”), Connor, Clark & Lunn Investment Management Ltd. (“CCLIM”), AllianceBernstein Canada, Inc. (“AllianceBernstein”), Baillie Gifford Overseas Limited (“Baillie Gifford”), Metropolitan West Capital Management, LLC (“Metropolitan West”), Pzena Investment Management, LLC (“Pzena”), Thornburg Investment Management, Inc. (“Thornburg”), State Street Global Advisors, Ltd. (“State Street”) and GlobeFlex Capital, L.P. (“GlobeFlex”) to provide investment advice to the Funds. Scotia Cassels, State Street, Scotia Capital, TCW, AllianceBernstein, CCLIM, Baillie Gifford, Metropolitan West, Pzena, Thornburg and GlobeFlex have the authority, subject to the direction of SSI, to give instructions to purchase and sell securities of the Funds in accordance with their respective investment objectives and restrictions. Scotia Cassels, a wholly owned subsidiary of BNS, is a Toronto-based professional investment and portfolio management firm which actively manages private and corporate investment portfolios, pension funds and other segregated funds on a fully discretionary basis. State Street is an industry leader in the development of index funds and is one of the world’s largest managers of both U.S. and non U.S. indexed strategies, with approximately US\$1.9 trillion in assets under management. Scotia Capital, a wholly-owned subsidiary of BNS, is a Toronto-based firm, providing a broad range of corporate and investment banking products and services. TCW is a professional investment and portfolio management firm established in 1971 which actively manages assets for family trusts, individual and institutional clients. AllianceBernstein is a wholly-owned subsidiary of AllianceBernstein L.P., a global investment firm managing more than \$700 billion in assets for some of the most prominent institutional, retail and private clients around the world. CCLIM was established in 1982 and has offices in Vancouver and Toronto. The firm provides professional asset management for pension fund sponsors, capital accumulation plans, corporations, not-for-profit organizations, mutual funds and individual investors. The firm is part of the Connor, Clark & Lunn Financial Group of companies, which has over \$38 billion in assets under management. Baillie Gifford is an Edinburgh-based investment advisor founded in 1908 with US\$104 billion of assets under management. Metropolitan West is a Newport Beach, California-based investment advisor with over US\$10 billion of assets under management, specializing in equity management. Pzena is a

New York-based investment advisor founded in 1995 with US\$18 billion of assets under management. Thornburg is a Santa Fe-based investment advisor founded in 1982 with US\$52 billion of assets under management. GlobeFlex is a San Diego-based investment advisor founded in 1994 with US\$7.2 billion of assets under management. The agreement with each portfolio advisor may be terminated by either SSI or the portfolio advisor giving up to 90 days prior notice to the other of such termination. For additional information concerning the management of the Funds, you should refer to “Other Material Information” in this annual information form.

Pursuant to an amended and restated Investment Management Agreement dated September 6, 2006, Scotia Cassels acts as portfolio advisor to the T-Bill Fund, Premium T-Bill Fund, Money Market Fund, U.S. Money Market Fund, Mortgage Income Fund, Income Fund, U.S. Bond Fund, Global Bond Fund, Cassels Government Bond Fund, Cassels Corporate Bond Fund, Monthly Income Fund, Balanced Fund, Dividend Fund, Cassels Canadian Equity Fund, Canadian Blue Chip Fund, Canadian Growth Fund, Small Cap Fund, Resource Fund, Cassels North American Equity Fund, Cassels Cyclical Fund, Cassels U.S. Equity Fund, U.S. Growth Fund, Scotia CanAm Index Fund, Nasdaq Index Fund, Cassels Advantaged Income Fund and Cassels International Equity Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
John Varao	Chief Executive Officer, President and Chief Investment Officer	2 years	<p>From April 2007 to present – Chief Executive Officer, President and Chief Investment Officer, Scotia Cassels</p> <p>From April 2003 to April 2007 – Senior Vice President, Canadian Equities, RBC Asset Management Inc.</p> <p>Prior to April 2003 – Vice President and Portfolio Manager, Canadian Equities, RBC Asset Management Inc.</p>

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Shane Jones	Managing Director and Head, Equities	2 years	<p>From September 2008 to present – Managing Director and Head, Equities, Scotia Cassels</p> <p>From April 2007 to September 2008 – Managing Director, Canadian Equities, Scotia Cassels</p> <p>From September 2004 to April 2007 – Vice President and Senior Portfolio Manager, Canadian Equities, RBC Asset Management Inc.</p> <p>Prior to September 2004 – Portfolio Manager, Canadian Equities, RBC Asset Management Inc.</p>
Britt Doherty	Senior Portfolio Manager, Canadian Equities	17 years	<p>From May 2003 to present – Senior Portfolio Manager, Canadian Equities, Scotia Cassels</p> <p>Prior to May 2003 - Portfolio Manager, Scotia Cassels and a predecessor company</p>
Romas Budd	Managing Director, Fixed Income Investments	18 years	<p>From March 2003 to present – Managing Director, Fixed Income Investments, Scotia Cassels</p> <p>Prior to March 2003 – Vice President and Director, Fixed Income Investments, Scotia Cassels and a predecessor company</p>
David Whetham	Portfolio Manager/Analyst – Canadian Equities	8 years	From September 2000 to present – Portfolio Manager, Scotia Cassels

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Sue J. Lavigne	Director, Canadian Equities	5 years	From August 2003 to present – Director, Canadian Equities, Scotia Cassels  Prior to August 2003 - Vice President, Canadian Equities, Co-operators Investment Counsel
Wes Mills	Managing Director, Equities	15 years	From September 2008 to present – Managing Director, Equities, Scotia Cassels  From June 2006 to September 2008 – Managing Director, Private Client, Scotia Cassels  From November 2002 to June 2006 – Director, Private Client, Scotia Cassels
Bill Girard	Director, Fixed Income – Credit	14 years	From October 2003 to present – Director, Fixed Income – Credit, Scotia Cassels  Prior to October 2003 – Vice President, Fixed Income, Scotia Cassels
Shane Stuck	Director, Fixed Income Derivatives and Global Bonds	2 years	From February 2007 to present – Director, Fixed Income Derivatives and Global Bonds, Scotia Cassels  Prior to February 2007 – Director, Bond Portfolios, Munich Re Capital Management

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Cameron Winser	Director, U.S. Equities	1 year	From October 2007 to present – Director, U.S. Equities From October 2005 to September 2007 – Portfolio Manager, RBC Asset Management
Nicholas Van Sluytman	Portfolio Manager	19 years	From November 2006 to present – Portfolio Manager Scotia Cassels Prior to November 2006 – Senior Fixed Income Trader, Scotia Cassels

Pursuant to an Investment Advisory Agreement dated as of November 28, 2000, Scotia Capital is the portfolio advisor to the Scotia Partners Portfolios, Scotia Selected Portfolios and Scotia Vision Portfolios. The individual providing advice is as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Willo K. Watson	Director, Portfolio Manager	17 years	From 1991 to present – Director and Portfolio Manager, Scotia Capital

Pursuant to an amended and restated Investment Advisory Agreement dated as of January 25, 2008, State Street is the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund, International Index Fund and Climate Change Fund. State Street has provided notice to the Manager that State Street intends to terminate the Investment Advisor Agreement in respect of the Climate Change Fund on or about December 9, 2008. The Manager is in the process of finding a portfolio advisor to replace State Street for the Climate Change Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Gregory Chrispin	Managing Director and Chief Executive Officer (Canada)	9 years	<p>From July 2007 to present – Managing Director and Chief Executive Officer (Canada), State Street</p> <p>From August 2005 to July 2007 – Chief Investment Officer (Canada), State Street</p> <p>Prior to August 2005 – Portfolio Manager, State Street</p>
Peter Lindley	Vice President and Head of Investments	3 years	<p>From July 2007 to present – Vice President and Head of Investments, State Street</p> <p>From 2005 to July 2007 – Vice President and Portfolio Manager, State Street</p> <p>From 2004 to 2005 – Vice President and Head of Fixed Income, Desjardins Securities</p>

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
James Wittebol	Principal, Portfolio Manager	7 years	<p>From 2006 to present – Portfolio Manager, Global Structured Products Group, State Street</p> <p>From 2004 to 2006 – Team Leader, Equity Operations Group, State Street</p> <p>Prior to 2004 – Investment Accountant, Fixed Income Operations Group, State Street</p>
Emiliano Rabinovich	Principal, Portfolio Manager	2 years	<p>From 2007 to present – Portfolio Manager, Global Structured Products Group, State Street</p> <p>From 2004 to 2006 – Director, Business Development, PerOs Systems Technologies</p> <p>Prior to 2004 – Economist, Fundacion Capital</p>
Louis Basque, CFA	Vice President, Senior Portfolio Engineer	8 years	<p>From 2006 to present – Vice President, Senior Portfolio Engineer</p> <p>Prior to 2006 - Portfolio Manager, Fixed Income, State Street</p>
Nick Arvanitis, CFA	Vice President / Head of Fixed Income for State Street Global Advisors, Ltd. (Canada)	7 years	<p>From 2006 to present – Portfolio Manager and Head of Fixed Income, State Street</p> <p>Prior to 2006 – Senior Credit Analyst, State Street</p>

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Claudio Ferri	Principal, Portfolio Manager	7 years	From 2004 to present – Portfolio Manager, Fixed Income, State Street  Prior to 2004 – Operations Accounting Manager, Fixed Income, State Street
Jean Gauthier, CFA	Vice President, Senior Portfolio Manager	6 years	From 2002 to present – Vice President, Senior Portfolio Manager, Fixed Income, State Street
Sebastien Guilbault	Principal, Portfolio Manager	5 years	From 2003 to present – Principal, Portfolio Manager, Fixed Income, State Street
Christian Hoffman	Principal, Junior Portfolio Manager	4 years	From 2007 to present – Principal, Junior Portfolio Manager, Fixed Income, State Street  From 2004 to 2007 – Team Leader Operations, Fixed Income, State Street  Graduated from McGill University in 2004
Omar Slim, CFA	Principal, Credit Analyst	1 year	From 2007 to present – Principal, Credit Analyst, Fixed Income, State Street  From 2004 to 2007 – Senior Analyst, BNP Paribas Corporate and Investment Banking  Graduated from Boston College with MS in Finance

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Yves Desjardins	Principal, Portfolio Manager	1 year	From 2007 to present – Principal, Portfolio Manager, Fixed Income, State Street  From 1997 to 2007 – Head Trader, Fixed Income, Natcan Investment Management
William H. Page	Head of ESG Investments, Portfolio Manager	9 years	From 2005 to present – Head of ESG Investments and Lead Portfolio Manager of the Global Environmental Opportunities Strategy, State Street Global Advisors, Boston  From 2001 to 2005 – Portfolio Manager in Global Fundamental Strategies Group, State Street Global Advisors, Boston
Matt Griswold, CFA	Portfolio Manager	18 years	From 2007 to present – Portfolio Manager, ESG, State Street Global Advisors, Boston  Prior to 2007 – Portfolio Manager, Active Implementation Group, State Street Global Advisors, Boston

Pursuant to an Investment Advisory Agreement dated as of June 27, 2005, AllianceBernstein is the portfolio advisor to the European Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Marc O. Mayer	Executive Vice President, Chief Investment Officer (Blend Solutions)	19 years	From June 2008 to present – Portfolio Manager, AllianceBernstein  From November 2003 to May 2008 – Executive Managing Director, AllianceBernstein Investments
Christopher M. Toub	Executive Vice President, Chief Investment Officer (Alliance Bernstein Limited), Head (Global/International Growth Equities)	16 years	From January 1992 to present – Portfolio Manager, AllianceBernstein
Robert Alster	Senior Vice President, Head (European/UK Growth Equities)	8 years	From February 2001 to present – Portfolio Manager, AllianceBernstein
Avi Lavi	Senior Vice-President, Chief Investment Officer (European/UK Value Equities)	12 years	From February 2006 to present – Portfolio Manager, AllianceBernstein  From March 2000 to February 2006 – Director of Research, UK & European Value Equities, AllianceBernstein
Sharon E. Fay	Executive Vice President, Chief Investment Officer (Global Value Equities)	18 years	From July 1995 to present – Portfolio Manager, AllianceBernstein

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Joshua B. Lisser	Senior Vice President, Chief Investment Officer (Structured Equities)	16 years	From June 1992 to present – Portfolio Manager, AllianceBernstein

Pursuant to an Investment Advisory Agreement dated as of March 17, 2003, TCW is the portfolio advisor to the Pacific Rim Fund and Latin American Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Hiroyoshi Nakagawa	Senior Fund Manager, Japanese Equity Growth Team (Société Générale Asset Management (Japan))	25 years	From January 2002 to present – Senior Portfolio Manager, Société Générale Asset Management (Japan)

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Marco Wong	Senior Portfolio Manager (Société Générale Asset Management (Japan))	22 years	<p>From March 2007 to present – Head of Asia Pacific Strategies, Société Générale Asset Management (Singapore) Ltd.</p> <p>From October 2004 to March 2007 – Director, Head, Pacific Rim Equity, Société Générale Asset Management (Japan) Ltd.</p> <p>From 1996 to October 2004 – Chief Investment Officer, Société Générale Asset Management (Singapore) Ltd.</p> <p>From May 1990 to 1996 – Senior Portfolio Manager, Société Générale Asset Management (Singapore) Ltd.</p>
Masataka Akimoto	Senior Fund Manager (Société Générale Asset Management (Singapore) Ltd.)	3 years	<p>From March 2007 to present - Senior Fund Manager, Société Générale Asset Management (Singapore) Ltd.</p> <p>From September 2005 to March 2007 – Senior Portfolio Manager, Société Générale Asset Management (Japan) Ltd.</p> <p>Prior to September 2005 – Deputy Manager, Meiji Yusuda Life Insurance Company</p>

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Adam Newman	Fund Manager, Emerging Markets Equities (Société Générale Asset Management International Limited)	6 years	<p>From October 2006 to present - Analyst/Fund Manager Emerging Markets Equities, Société Générale Asset Management International Limited</p> <p>From October 2004 to October 2006 – Trainee Fund Manager, Société Générale Asset Management International Limited</p> <p>From June 2002 to October 2004 – Client Services, Société Générale Asset Management International Limited</p>
Sarah Pohlinger	Head of European & Emerging Markets Equities (Société Générale Asset Management International Limited)	9 years	<p>From September 2006 to present - Head of European &amp; Emerging Markets Equities, Société Générale Asset Management International Limited</p> <p>From May 2006 to September 2006 – Fund Manager, Société Générale Asset Management International Limited</p> <p>From November 2003 to May 2006 – unemployed</p> <p>From April 1997 to November 2003 – Fund Manager, Société Générale Asset Management International Limited</p>

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Nerea Heras-Mendoza	Fund Manager, Emerging Markets Equities (Société Générale Asset Management International Limited)	1 year	From March 2007 to present - Fund Manager, Emerging Markets Equities, Société Générale Asset Management International Limited  Prior to March 2007 - Fund Manager, Emerging Markets Equities, AXA IM

Pursuant to an Investment Advisory Agreement dated as of January 26, 2004, CCLIM is the portfolio advisor to the Tactical Allocation Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Larry Lunn	Director, Chairman and President	26 years	From March 1982 to present – Director, Chairman and President, CCLIM
Gordon MacDougall	Director and Vice-President	24 years	From January 1984 to present – Director and Vice President, CCLIM
J. Warren Stoddart	Director	14 years	From March 1999 to present – Director, CCLIM
Brian Eby	Director and Vice President	10 years	From March 2002 to present – Director and Vice President, CCLIM
Jim Thames	Partner, Portfolio Manager (Arrowstreet Capital, L.P.)	9 years	From September 1999 to present – Partner and Portfolio Manager, Arrowstreet Capital, L.P.

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with Portfolio Advisor (or an affiliated entity)</b>	<b>Principal occupation in the last 5 years</b>
Martin Gerber	Director and Commodity Advising Officer	17 years	From March 1999 to present – Director and Commodity Advising Officer, CCLIM
Dion Roseman	Partner (Connor, Clark & Lunn Investment Management Partnership)	4 years	From March 2005 to present – Partner, Connor, Clark & Lunn Investment Management Partnership  From April 2004 to present – Portfolio Manager/Analyst, Equities, CCLIM  From January 2001 to March 2004 – Principal, Lead Portfolio Manager, Canada Market Neutral, Barclays Global Investors
Nereo Piticco	Director and President (PCJ Investment Counsel Ltd.)	12 years	From August 1996 to present – Director and President, PCJ Investment Counsel Ltd.
Lloyd Rowlett	Director and Vice President (Scheer, Rowlett & Associates Investment Management Ltd.)	13 years	From January 1998 to present – Director and Vice President, Scheer, Rowlett & Associates Investment Management Ltd.

Pursuant to an Investment Advisory Agreement dated as of February 19, 2007, Baillie Gifford is the portfolio advisor to the Global Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Alex Callander	Chief Executive Officer	26 years	From May 2001 to present – Senior Partner, Baillie Gifford
James Anderson	Chief Investment Officer	25 years	From May 2006 to present – Chief Investment Officer and Head, Global Equity Team, Baillie Gifford From July 2003 to May 2006 – Deputy Chief Investment Officer and Head, Global Equity Team, Baillie Gifford Prior to July 2003 – Head, European Investment Team, Baillie Gifford
Graham Laybourn	Head of Regulatory Risk	4 years	From May 2004 to present – Head of Regulatory Risk, Baillie Gifford From August 2003 to April 2004 – unemployed From 2000 to July 2003 – Head of Compliance, First State Group of Companies
Charles Plowden	Senior Partner and Chief of Investment Staff	25 years	From 2006 to present – Joint Senior Partner and Chief of Investment Staff, Baillie Gifford From 2005 to 2006 – Investment Manager, Global Alpha Team, Baillie Gifford Since 1988 – Partner, Baillie Gifford
Spencer Adair	Investment Manager	9 years	Investment Manager, Global Alpha Team, Baillie Gifford
Malcolm MacColl	Investment Manager	9 years	Investment Manager, Global Alpha Team, Baillie Gifford

Pursuant to an Investment Advisory Agreement dated as of April 23, 2007, Metropolitan West is the portfolio advisor to the U.S. Value Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Gary Lisenbee	President	11 years	From August 1997 to present – President, Metropolitan West
Howard Gleicher	Chief Executive Officer and Chief Investment Officer	11 years	From August 1997 to present – Chief Executive Officer and Chief Investment Officer, Metropolitan West
David Graham	Senior Vice President	8 years	From September 2000 to present – Senior Vice President, Metropolitan West

Pursuant to an Investment Advisory Agreement dated as of April 23, 2007, Pzena is the portfolio advisor to the International Value Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Richard S. Pzena	Founder and Co-Chief Investment Officer	13 years	From November 1995 to present – Founder and Co-Chief Investment Officer, Pzena
John P. Goetz	Managing Principal and Co-Chief Investment Officer	12 years	From March 1996 to present – Managing Principal and Co-Chief Investment Officer, Pzena

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Rama Krishna	Managing Principal and Portfolio Manager	5 years	From September 2003 to present – Managing Principal and Portfolio Manager, Pzena  From 1998 to 2003 – Chief Investment Officer and Head – Institutional & International, Citigroup Asset Management
Michael D. Peterson	Principal, Co-Director of Research and Portfolio Manager	10 years	From January 2001 to present – Principal, Pzena  From September 2004 to present – Co-Director of Research, Pzena  From January 2004 to present – International Portfolio Manager, Pzena  From May 2001 to December 2003 – Domestic Portfolio Manager, Pzena

Pursuant to an Investment Advisory Agreement dated as of April 23, 2007, Thornburg is the portfolio advisor to the Global Opportunities Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Brian McMahan	Chief Executive Officer and Chief Investment Officer	25 years	From January 2008 to present – Chief Executive Officer and Chief Investment Officer, Thornburg Investment Management  From January 2003 to January 2008 – Chief Executive Officer, President and Chief Investment Officer, Thornburg Investment Management

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
W. Vinson Walden	Managing Director and Co-Portfolio Manager	7 years	From January 2006 to present – Managing Director and Co-Portfolio Manager of Global Equity Products, Thornburg Investment Management  From January 2002 to January 2006 – Managing Director and Portfolio Manager of Value and International Value Equity Products, Thornburg Investment Management

Pursuant to an Investment Advisory Agreement dated as of April 23, 2007, GlobeFlex is the portfolio advisor to the Global Small Cap Fund. The individuals providing advice are as follows:

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Robert J. Anslow, Jr.	Managing Partner, Co-Founder and Chief Investment Officer	14 years	From April 1994 to present – Managing Partner, Co-Founder and Chief Investment Officer, GlobeFlex
Cherrie L. St. Germain	Partner and Co-Founder, Portfolio Management/Research/Trading	14 years	From April 1994 to present – Partner and Co-Founder, Portfolio Management / Research / Trading, GlobeFlex
Andrew Mark	Partner, Portfolio Manager/Analyst/Trader	14 years	From September 1994 to present – Partner, Portfolio Management / Research / Trading, GlobeFlex

<b>Portfolio Manager</b>	<b>Current Title</b>	<b>Length of Service with portfolio advisor</b>	<b>Principal occupation in the last 5 years</b>
Kurt S. Livermore	Portfolio Manager/Analyst	3 years	<p>From August 2005 to present - Portfolio Manager/Analyst, GlobeFlex</p> <p>From May 2003 to December 2004 – Partner, Portfolio Manager, Matikos Capital Management</p> <p>From July 1997 to May 2003 – Principal, Portfolio Manager, Barclays Global Investors</p>
Qiao Wen	Portfolio Manager/Analyst	3 years	<p>From September 2005 to present - Portfolio Management / Research, GlobeFlex</p> <p>From July 1998 to August 2005, Vice President, Analyst, Fuller &amp; Thaler Asset Management</p>
Stephen Westwood	Portfolio Manager/Analyst	1 year	<p>June 2007 to present – Portfolio Management/Research, GlobeFlex</p> <p>June 2006 to June 2007 – Intern, GlobeFlex</p> <p>From September 2004 to June 2007 – MBA student, SDSU School of Business</p> <p>From June 2003 to October 2004 – Institutional Sales, Sagient Research Systems</p> <p>From 1997 to 2002 – Financial Advisor, Morgan Stanley</p>
James D. Peterson, CFA	Portfolio Manager/Analyst	1 month	<p>From July 2008 to present – Portfolio Manager/Analyst, GlobeFlex</p> <p>From June 2007 to July 2008 –</p>

Portfolio Manager	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
			Portfolio Manager, NCM Capital Management  From September 1998 to June 2007 – Portfolio Manager and Director of Quantitative Research, Duncan-Hurst Capital Management

The investment decisions of the individual portfolio managers listed above are not subject to the oversight, approval or ratification of any SSI committee.

### **Fund Governance**

SSI, the trustee and manager of the Funds, is responsible for the day-to-day administration and management of the Funds. SSI requires its portfolio advisors to provide investment management advice to the Funds. SSI receives regular reports from its portfolio advisors regarding their compliance with applicable investment guidelines and parameters and compliance with the investment restrictions and practices of the Funds.

SSI complies with National Instrument 81-105 *Mutual Fund Sales Practices*. SSI has adopted a Code of Ethics for Personal Investing that addresses potential internal conflicts of interest in respect of the Funds. In addition, BNS has adopted Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The investment management agreements between the Manager and the portfolio advisors specify that the Funds must comply with the investment restrictions and practices outlined in applicable securities legislation, including NI 81-102. The portfolio advisors have established policies and guidelines relating to business practices, risk management controls and conflicts of interest. In addition, each portfolio advisor has its own code of ethics that addresses such things as personal trading by employees. Each portfolio advisor's compliance committee, which is comprised of management personnel, meets regularly to consider compliance and risk management issues. Each portfolio advisor's compliance committee reports to the audit committee. Compliance personnel are not members of the trading group. Various measures to assess risk are used, including mark-to-market security valuation, fair value pricing, effective exposure reporting, and monthly reconciliation of security and cash positions. Compliance monitoring of the Funds' portfolios is ongoing. The Funds are generally priced on each business day, which ensures that performance accurately reflects market movements.

### *Independent Review Committee*

SSI has appointed an Independent Review Committee (“IRC”), the governance agency for the Funds as contemplated by National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). The IRC became operational under NI 81-107 on November 1, 2007 and its current members are Eric F. Kirzner, Robert S. Bell and D. Murray Paton. The members of the IRC are independent from, and not associates or affiliates of, the Manager, BNS or any of the Funds’ portfolio advisors. The IRC must act in the best interests of the Funds’ unitholders.

The mandate of the IRC is to:

- (a) review a conflict of interest matter, including any related policies and procedures, referred to it by SSI and make recommendations to SSI regarding whether the proposed action of SSI in respect of the conflict of interest matter achieves a fair and reasonable result for the applicable Funds;
- (b) consider and approve, if deemed appropriate, SSI’s decision on a conflict of interest matter that SSI refers to the IRC for approval; and
- (c) perform such other duties and provide such other recommendations and approvals as may be permitted under applicable securities laws.

NI 81-107 also requires that SSI have policies and procedures related to conflicts of interest.

Each member of the IRC receives a fee for attending each meeting of the IRC and each meeting held for education or information purposes, as well as an annual retainer and is reimbursed for reasonable expenses incurred. These fees and expenses will be allocated among the Funds in a manner considered fair and reasonable by SSI. During the financial year ended December 31, 2007, the Funds paid each of Eric F. Kirzner, Robert S. Bell and D. Murray Paton \$18,400, \$13,000 and \$13,000, respectively, as compensation for their services as IRC members, and made a reimbursement to Robert S. Bell in the amount of \$49.

### *Securities Lending, Repurchase and Reverse Repurchase Transactions*

To increase returns, the Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions in accordance with applicable securities legislation.

In a securities lending transaction, a Fund will loan portfolio securities it owns to a borrower for a fee. The borrower promises to return an equal number of the same securities at a later date. In a repurchase transaction, a Fund sells portfolio securities for cash and agrees to buy them back later at a specified price with the expectation of a profit. In a reverse repurchase agreement, a Fund buys securities for cash at one price and agrees to sell them back to the same party with the expectation of a profit.

SSI will appoint the Funds' custodian or sub-custodian to act as the agent of the Funds and to enter into securities lending transactions, repurchase transactions and reverse repurchase transactions on behalf of the Funds. The agency agreement will provide for the types of transactions that may be entered into by a Fund, types of portfolio assets that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agency agreement will provide for, and the agent will develop, policies and procedures which provide that securities lending, repurchase and reverse repurchase transactions will be entered into in accordance with the standard investment restrictions and practices set out above. Further, the agent will:

- ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102% of the value of the securities;
- invest any cash collateral in accordance with the investment restrictions specified in the agency agreement;
- invest no more than 50% of the total assets of a Fund in securities lending or repurchase transactions at any one time; and
- assess the creditworthiness of the counterparties to securities lending, repurchase and reverse repurchase transactions.

The securities lending transactions of a Fund may be terminated by a Fund at any time. Repurchase and reverse repurchase transactions of the Funds will have a maximum term of 30 days.

SSI and BNS will review the agency agreement and the agent's policies and procedures on an annual basis to ensure that they comply with applicable laws.

SSI is responsible for managing the risks associated with securities lending, repurchase and reverse repurchase transactions.

#### *Proxy Voting Policies and Procedures*

Pursuant to the terms of the investment advisory agreements in place with the Funds' portfolio advisors, SSI delegates proxy voting responsibility in respect of the securities held by the Funds to the Funds' portfolio advisors.

*T-Bill Fund, Premium T-Bill Fund, Money Market Fund, U.S. Money Market Fund, Mortgage Income Fund, Income Fund, U.S. Bond Fund, Global Bond Fund, Cassels Government Bond Fund, Cassels Corporate Bond Fund, Monthly Income Fund, Balanced Fund, Cassels Advantaged Income Fund, Dividend Fund, Cassels Canadian Equity Fund, Canadian Blue Chip Fund, Canadian Growth Fund, Small Cap Fund, Resource Fund, Cassels North American Equity*

*Fund, Cassels Cyclical Fund, Cassels U.S. Equity Fund, U.S. Growth Fund, CanAm Index Fund, Nasdaq Index Fund and Cassels International Equity Fund*

Scotia Cassels has retained the services of a third party consultant with expertise on proxy voting matters to provide proxy voting guidance. Scotia Cassels reviews each proxy, along with the recommendations made by the consultant with respect to proxy issues and may vote in accordance with such recommendations if appropriate and if consistent with its policies and procedures. Where proxies relate to relatively routine matters, such as the regular appointment of auditors and the election of directors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non-routine matters, these matters are brought to the attention of the Chief Investment Officer or a senior Director on a case-by-case basis for consideration and final approval. The senior Director or Chief Investment Officer may determine that communication with company management is required in order to properly evaluate the matter prior to voting. Scotia Cassels' policies and procedures strive to eliminate conflicts of interest between the interests of the firm (and its affiliates and associates) and those of the mutual funds and their unitholders. For example, where an employee normally responsible for reviewing proxy materials has an interest in the issuer in respect of which the proxy relates, the employee must disclose such interest to a senior Director within Scotia Cassels who will assume responsibility for voting the proxy. If a proxy is for a related issuer, the recommendation of the third party proxy consultant will generally be followed.

*Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios*

Where the underlying funds held by the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios are managed by SSI, or its associates or affiliates, securities of those underlying funds will not be voted. Alternatively, arrangements may be made whereby unitholders of the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios may vote their respective share of those securities. Where the underlying funds in which the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios invest are not managed by SSI, or its associates or affiliates, securities of the underlying funds will be voted in a manner that is consistent with the best interest of the unitholders of the Scotia Selected Portfolios, Scotia Partners Portfolios and Scotia Vision Portfolios with consideration given to the recommendations of management of those underlying funds. Alternatively, arrangements may be made whereby unitholders of these Funds may vote their respective share of those securities.

*Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund and International Index Fund*

Oversight of the proxy voting process is the responsibility of an investment committee at State Street. In order to assist in the due diligence process, State Street has retained a firm with expertise in the proxy voting and corporate governance areas. On routine matters, State Street generally votes in support of management's recommendations. However, each proxy is reviewed individually and, in certain circumstances, State Street may vote against management's recommendation on routine matters if such recommendation is deemed not to be in a fund's best interests. Non-routine matters are dealt with on a case-by-case basis and State Street will support management's recommendations if they maximize shareholder value. In instances where issues

are not addressed by a policy, the Chairman of State Street's investment committee will be consulted for voting guidance. In addressing potential conflicts of interest, the investment committee is guided by its duty to ensure that proxies are voted in a fund's, and not State Street's, best interests. In circumstances where a potential material conflict cannot be dealt with within a existing proxy voting policy or is of such a nature that State Street believes more active involvement is required, the Chairman presents the proxy to the investment committee who may recommend that an independent third party be retained to determine the appropriate vote.

#### *European Fund*

AllianceBernstein has formed proxy voting committees that establish general proxy policies and consider specific proxy voting matters, as may be required. These committees periodically review these policies and decide how to vote on proposals not covered by the policies. When a proxy vote cannot be clearly decided by an application of a policy, the proxy committee will evaluate the proposal and may contact corporate management and interested shareholder groups or others to discuss the proposal. On certain matters such as the election of directors, appointment of auditors and changes in legal and capital structure, AllianceBernstein will generally vote in accordance with management's recommendations, unless there are compelling reasons to vote otherwise. Other matters such as corporate restructurings, mergers and acquisitions, proposals relating to social, political and environmental issues which have material financial impact on shareholder value and proposals affecting shareholder rights are addressed on a case by case basis. AllianceBernstein believes that its centralized management of proxy voting, oversight by the proxy voting committees and adherence to proxy voting policies ensures that proxies are voted with only its clients' best interests in mind. Notwithstanding the foregoing, AllianceBernstein has implemented additional procedures that ensure that proxy votes are not the product of a material conflict of interest, such as applying a series of objective tests and considering the views of third party research service providers to ensure that proxy voting is consistent with clients' best interests.

#### *Pacific Rim Fund and Latin American Fund*

TCW has established a proxy voting committee and adopted proxy voting guidelines and procedures. The committee meets at least annually to review these guidelines as well as other proxy voting issues. TCW also retains a third party proxy voting service provider to assist in the management of the proxy voting process. The service provider facilitates TCW's proxy voting in accordance with the guidelines and assists in the maintenance of TCW's proxy voting record. In certain circumstances, such as potential conflicts of interest, the third party service provider may also be requested to help decide certain proxy votes. TCW's proxy voting guidelines cover a range of matters that are frequently presented for shareholder votes, some of which may be considered routine. Depending on the issue, TCW guidelines set out when it will vote in favour or against a proposal or when a case by case evaluation is required. TCW may determine to deviate from the guidelines in its discretion when such deviation is deemed to be in its clients' best interests. Non-routine matters are evaluated and voted upon on a case by case basis, generally following consultation with the appropriate portfolio manager.

### *Tactical Allocation Fund*

CCLIM retains the services of an independent proxy review firm for proxy voting guidance. CCLIM reviews each proxy, along with the recommendations made by the independent firm, and determines how to vote. CCLIM does not distinguish between routine and non-routine matters when reviewing proxies and although CCLIM may vote in accordance with the recommendations of management on routine matters, each proxy issue is considered separately and voted in accordance with the best interests of the Fund. Should a conflict of interest arise, CCLIM's compliance officer will be involved with the proxy vote to ensure proxies are voted in a fund's best interest.

### *Global Fund*

Baillie Gifford has adopted the Principles of Corporate Governance (the "Guidelines") developed by the Organisation for Economic Co-operation and Development (OECD), which cover six areas: the basis for an effective corporate governance framework, the rights of shareholders, the equitable treatment of shareholders, the role of stakeholders, disclosure and transparency and the responsibilities of the board. Its Corporate Governance Team develops and administers these Guidelines. The Corporate Governance and SRI Manager reports to the Chief Investment Officer. In evaluating each proxy for both routine and non-routine matters, the Corporate Governance Team follows the Guidelines. It considers third party analysis, Baillie Gifford's own research and discussions with company management. If a proxy involves a non-routine matter, the Corporate Governance Team will consult with the appropriate investment team regarding the proposed vote. If a vote is cast contrary to the Guidelines, the reasons for the vote are documented. The Corporate Governance and SRI Manager is responsible for monitoring possible material conflicts of interest with respect to proxy voting. For proxy votes that involve a potential conflict of interest that are inconsistent with (or not covered by) the Guidelines but that are consistent with management's recommendation, the Management Committee of Baillie Gifford, comprised of five senior Baillie Gifford partners, will review the voting rationale, consider whether business relationships between Baillie Gifford and the company have influenced the proposed inconsistent vote and decide the course of action to be taken in the best interest of the Fund.

### *U.S. Value Fund*

The Chief Investment Officer of Metropolitan West is responsible for ensuring that all proxies received are voted in a timely manner and in a manner consistent with Metropolitan West's determination of the Fund's best interest. Metropolitan West has established guidelines for proxy voting but recognizes that some proposals require special consideration, which may cause it to deviate from its established guidelines. In routine matters, the guidelines typically result in voting consistent with the recommendations of the issuer's management. Where a routine proxy proposal raises a material conflict of interest, it will vote in accordance with its predetermined guidelines. In the case of a conflict of interest raised on a non-routine proxy proposal, either Metropolitan West will disclose the conflict of interest of the Fund (providing sufficient detail on the matter) and obtain the Fund's consent to the proposed vote prior to voting the securities, or alternatively, it will forward the proxy matter to an independent third party for review and recommendation. Where the Fund does not respond to such a conflict of interest

disclosure or denies the request, Metropolitan West will abstain from voting. If the independent third party's recommendation is received on a timely basis, Metropolitan West will vote in accordance with the third party's recommendation, and if not received on a timely basis, will abstain from voting.

#### *International Value Fund*

Pzena hires a third party service provider to provide proxy monitoring and voting services. This service provider provides Pzena with a proxy analysis and a vote recommendation for each proxy voting issue. Pzena retains responsibility for instructing the service provider on how to vote. The service provider will forward proxies to the Director of Compliance, to determine whether a conflict exists. Once the conflicts check is completed, the proxy materials will be sent to the Pzena analyst responsible for the company soliciting the proxy to provide the voting instruction. Pzena's proxy voting committee has developed voting guidelines designed to maximize shareholder value and yield the best economic results for its clients. The Director of Research is responsible for monitoring the Pzena analyst's compliance with these procedures and the Director of Compliance is responsible for monitoring overall compliance with the procedures.

In general, proxies are voted in favour of management recommendations for routine issues, unless there are auditor independence or improved board and committee representation issues. Pzena will generally defer to the recommendation of the third party service provider where a vote involves a conflict of interest relating to securities of a publicly traded company that is a client of Pzena, or where a client or Pzena officer, director or employee or immediate family member of a Pzena officer, director or employee is a director or candidate for director of the publicly traded company. However, Pzena may seek instructions from the Fund on such voting where it determines that the third party recommendation is materially adverse to the best interest of the Fund. Where Pzena manages the assets of a proponent of a shareholder proposal for a company whose securities are held in the Fund's portfolio, it will vote the proxy in the best interest of the Fund, without consideration of the proposal, unless the proponent's assets constitute 30% or more of Pzena's total assets under management, in which case, Pzena will give the Fund 3 business days' advance notice of its intention to vote on the proposal and unless the Fund objects, will vote in this matter.

#### *Global Opportunities Fund*

Thornburg evaluates proxy voting matters on a case-by-case basis, seeking to enhance the value of a security or reduce the potential for a decline in the security's value. It may abstain from voting or decline to vote in those cases where there appears to be no relationship between the issue and the enhancement or preservation of an investment's value. Thornburg has appointed a Proxy Voting Coordinator to discharge various functions relating to its proxy voting policy. In general, the portfolio manager responsible for the Fund is responsible for the decision to vote (or not vote) the Fund's proxies. The President may also exercise this authority or the portfolio manager or President may delegate this responsibility to other individuals. In exercising voting authority, Thornburg considers voting recommendations and other information and analysis from service providers engaged by it. Where the portfolio manager determines that a proxy vote involves a conflict of interest and the vote relates to an uncontested routine matter,

Thornburg shall vote the proxy in accordance with the recommendation of any proxy voting service engaged by it. If no recommendation is available or if the vote involves a non-routine matter, Thornburg shall refer the vote to the Fund for voting direction or consent to vote in accordance with Thornburg's recommendation.

#### *Global Small Cap Fund*

It is the policy of GlobeFlex to vote proxies on both routine and non-routine matters in the interest of maximizing value for the Fund and so will vote in a way that it believes will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long term implications of the proposal. At times, GlobeFlex may determine that it is in the Fund's best interests to refrain from voting, such as when GlobeFlex's analysis of a particular proxy reveals that the cost of voting the proxy may exceed the expected benefit to the Fund. The Chief Compliance Officer, in conjunction with the investment team, is responsible for conducting the proxy voting cost-benefit analysis in these circumstances. GlobeFlex subscribes to the services of a third party proxy service provider to keep apprised of shareholder meeting dates, make copies of proxy materials available for its review and to vote proxies in accordance with GlobeFlex's guidelines or instructions. Although GlobeFlex may consider the recommendations of the third party service provider, it bears ultimate responsibility for proxy voting decisions. The Chief Compliance Officer is responsible for monitoring for potential conflicts between GlobeFlex's business interests and the best interests of the Fund. GlobeFlex will consult with a third-party compliance consulting firm and/or outside counsel if any possible conflicts arise and, upon detection of a material conflict of interest, will vote the proxy in accordance with the pre-determined policy recommendation of its third party proxy service provider.

#### *Climate Change Fund*

An independent third party has been retained to vote the securities held by Climate Change Fund in accordance with a set of comprehensive guidelines provided by the portfolio managers. These guidelines deal with routine and non-routine matters and specifically cover the following areas: operational matters, the board of directors, proxy contests, anti-takeover defences and voting related issues, mergers and corporate restructurings, state of incorporation, capital structure, and executive and director compensation. The guidelines also address how to vote on proposals in connection with corporate social responsibility issues, with a section specifically on climate change and the environment. For each matter covered, the guidelines set out when the vote should be cast in favour of or against a proposal, or when a case-by-case evaluation is required. The guidelines serve as a standing policy for voting on these matters. The guidelines provide that both routine and non-routine matters are to be considered on a case-by-case basis in accordance with the specific criteria set out in the guidelines. The guidelines do not provide for deviation from this standing policy in respect of both routine and non-routine matters.

#### *Availability of Proxy Voting Information*

The proxy voting policies and procedures for the Funds are available upon request and 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 writing to SSI at the address on the back cover of this annual information form. When available, proxy voting records for the most recent period ending June 30 of each year will be available upon request and at no charge after August 31 of that year. The proxy voting record will also be available at [www.scotiabank.com](http://www.scotiabank.com).

### **Policies on the Use of Derivatives**

All of the Funds may use derivatives for hedging purposes. Some Funds may also use derivatives to gain exposure to financial markets or to invest indirectly in securities or other assets. 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. Derivatives may only be used as permitted by the CSA. Oversight of the Funds, including the risk management process in respect of the Funds' use of derivatives, is ultimately the responsibility of the board of directors of SSI.

The decision of whether to use derivatives is made by the portfolio advisor for each Fund. SSI has in place investment policy statements for each of the ScotiaFunds and the Funds' portfolio advisors that specify the type of derivative that is permitted to be used by each Fund, and the goals and objectives of using derivatives for the Fund. The investment policy statements also specify that any use of derivatives must be in accordance with securities legislation. SSI requires each portfolio advisor to have in place policies and procedures to manage the risks associated with derivatives trading. Risk measurement procedures and simulations to test a Fund's portfolio under stress conditions may be used by a portfolio advisor in connection with a Fund's use of derivatives. Each portfolio advisor reports quarterly to SSI on its use of derivatives on behalf of a Fund, if any. Any deviation from the rules and restrictions on the use of derivatives specified in a Fund's investment mandate or under securities legislation must be reported to SSI by the portfolio advisor as soon as practicable. SSI's investment oversight team also performs monthly spot checks and reviews the results to monitor the use of derivatives by the Funds' portfolio advisor. Any deviation from the rules and restrictions are summarized in the monthly Investment Parameters Compliance Report. On an annual basis, SSI provides a due diligence questionnaire to each portfolio advisor and reviews the Funds' investment mandate, including the use of derivatives, with each portfolio advisor. SSI's investment oversight team reports to SSI's Investment Committee if there are any concerns raised as a result of these reviews.

For further information about how the Funds use derivatives, refer to "Derivatives" above and "About derivatives" in the Funds' simplified prospectus.

### **The Distributor**

The unissued units offered by the simplified prospectus of the Funds are distributed by SSI pursuant to an agreement between SSI and:

1. the T-Bill Fund dated October 3, 1991;
2. the Premium T-Bill Fund dated July 10, 1992;
3. the Money Market Fund dated August 30, 1990;

4. each of the Tactical Allocation Fund, Canadian Blue Chip Fund, Canadian Growth Fund and U.S. Growth Fund dated July 31, 1991;
5. the U.S. Bond Fund dated November 27, 1991;
6. the Mortgage Income Fund dated September 23, 1992;
7. each of the CanAm Index Fund and Resource Fund dated September 24, 1993;
8. each of the Pacific Rim Fund and Latin American Fund dated August 18, 1994;
9. the Global Fund dated October 1, 1995;
10. each of the U.S. Money Market Fund and European Fund dated September 3, 1996;
11. each of the Income Fund, Dividend Fund, Balanced Fund, Global Bond Fund, Canadian Index Fund, U.S. Index Fund and Small Cap Fund dated October 24, 1998;
12. each of the Canadian Bond Index Fund and International Index Fund dated September 20, 1999;
13. each of the Nasdaq Index Fund, U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund dated November 30, 2000;
14. each of the Scotia Partners Portfolios dated November 29, 2002;
15. each of the Scotia Selected Portfolios dated April 22, 2003;
16. the Cassels Corporate Bond Fund dated October 30, 2003;
17. each of the Scotia Vision Portfolios, Monthly Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund dated June 10, 2005;
18. each of the Cassels Government Bond Fund and Cassels Advantaged Income Fund dated September 30, 2007;
19. the Climate Change Fund dated January 25, 2008; and
20. the Cassels Cyclical Fund dated November 3, 2008.

(collectively, the “Distribution Agreements”).

Under the Distribution Agreements, SSI has agreed to offer units of the Funds for sale when issued by the Funds. Provided that the terms of the Distribution Agreements are satisfied, SSI may appoint participating dealers.

Each Distribution Agreement may be terminated at any time upon the request of the distributor or by agreement of the distributor and the Trustee, or after six months following a unitholders' meeting approving the termination.

### **Portfolio Transactions and Brokers**

Decisions regarding purchase and sale of investment portfolio securities of the Funds are based on best execution, price and service and, therefore, are arranged by the Manager (or by a person appointed by the Manager) through a large number of brokerage houses. Such trades may be placed through related parties to the Funds or the Manager, including Scotia Capital, an affiliate of the Manager. Such business will be executed at normal institutional brokerage rates.

Brokerage business may be allocated to compensate brokers for information and research that may assist the Funds, provided that the terms of such business are comparable with the terms offered by other brokers offering similar services. Since the date of the last annual information form, the following companies provided investment decision-making services in the nature of advice regarding the value of securities, research analysis and reports, portfolio strategies, economic data and company specific research to the Manager, or a person appointed by the Manager, in exchange for brokerage business:

ABG Sundal	Equity Research
ABN Amro	Exane
AG Edwards	Execution LLC
Aurbach Grayson	FBR
Banco Santander	First Boston
Bank of America Sec	First Coverage
Bear Stearns	Fortis
Bloomberg	Fox Pitt Kelton (Domestic)
Bourse de Montreal	GMP Securities
Brockhouse Cooper	Goldman Sachs
B-Trade/G-Trade	Goodbody
C.P.M.S.	Green Street
Cantor Fitzgerald	Gun Allen Financial
Capital Economics	Hambrecht & Quist
Cheuvreux / Credit Agricole	Helvea
China International Capital Corp	HSBC
CIBC	Hypoveriensbank/CAIB
Citigroup	ITG
CLSA (Calyon USA)	ITG International
Credit Suisse	Janney Montgomery
Daiwa	Jeffries
Davy Stockbrokers	JP Morgan
DBS Vickers	JPP
Deutsche Alex Brown	KBC
Dow Jones News	Keefe Bruyette
Dresdner	Kepler (Julius Baer)

Lehman Brothers  
Liquidnet  
Lombard Odier  
Macquarie Securities  
McDonald & Co.  
Merrill Lynch  
Merriman Curhan Ford & Co  
Mizuho  
Morgan Keegan  
Morgan Stanley  
Natexis Bleichroeder  
NCB  
Nomura Securities  
NYSE  
Oddo  
Oppenheimer  
Options Pricing  
Pacific Growth Equities  
Petrie Parkman  
Pictet Overseas  
Piper Jaffray

Prudential  
Raymond James  
Robert Baird  
Robinson Humphrey  
Samsung International  
Sandler O'Neil  
Sanford Bernstein  
SG Securities  
Soleil  
Thomas Weisel  
Thomson Financial (Starquote)  
UBS Warburg  
Vontobel  
Wedbush Morgan  
West LB  
Westminster  
Wheat First  
William Blair  
Wr. Hambrecht

### **Changes to the Master Declaration of Trust**

Certain amendments to the Master Declaration of Trust governing the Funds, such as a change in the fundamental investment objectives of a Fund, or any other change for which the approval of unitholders is required by securities regulatory authorities or pursuant to the Master Declaration of Trust, may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. All other amendments to the Master Declaration of Trust may be made by the trustee without unitholder approval.

Pursuant to the Master Declaration of Trust, where the trustee resigns, is removed or is otherwise incapable of acting, a successor trustee can be appointed by the Manager of the Fund without the approval of the unitholders. If the Manager fails to appoint a new trustee, provision is made in the Master Declaration of Trust for the unitholders to appoint a successor trustee.

The Funds will continue until terminated by the trustee. Subject to applicable securities laws and regulations, the trustee is empowered to take all steps necessary to effect the termination of such Funds.

### **The Promoter**

BNS is the promoter of all Funds. The Money Market Fund was originally promoted by SSI. Canadian Blue Chip Fund and U.S. Growth Fund were originally promoted by ScotiaMcLeod. The Global Fund, Tactical Allocation Fund and Canadian Growth Fund were originally promoted by Montreal Trust. The Income Fund, Dividend Fund, Balanced Fund,

Global Bond Fund, Canadian Index Fund, U.S. Index Fund and Small Cap Fund were originally promoted by National Trust. BNS received, and will receive, remuneration from, and in respect of, the Funds as set out under the headings “The Custodian” and “Other Material Information”.

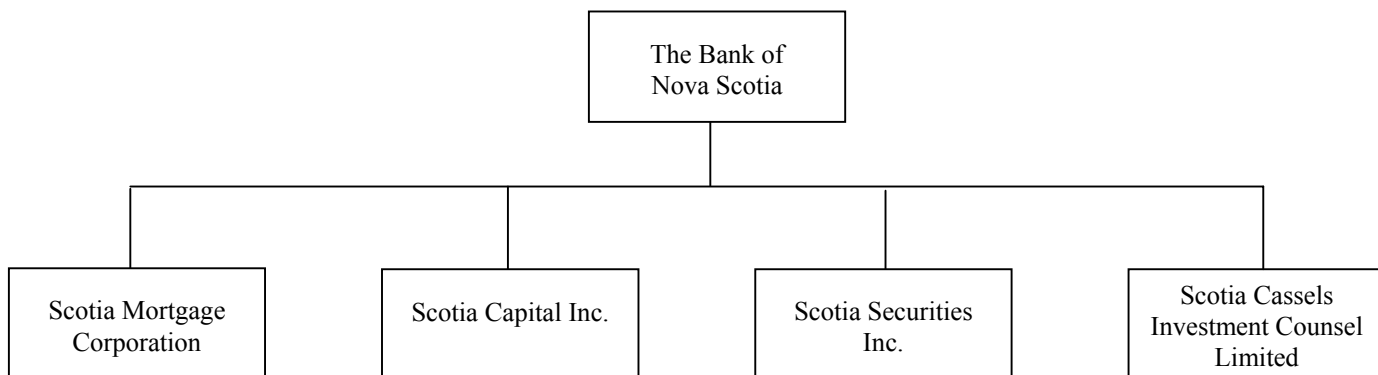
### **The Custodian**

Pursuant to agreements with each of the Funds, BNS acts as custodian of the Funds’ portfolio securities. The Funds pay all reasonable fees and expenses of BNS for custodial services, including safekeeping and administrative services. These agreements permit BNS to appoint sub-custodians on the same terms and conditions it has with each of the Funds, and may be terminated by either party giving at least 60 days prior notice to the other of such termination. As of the date of this annual information form, The Bank of New York, New York, U.S.A., acts as principal sub-custodian of the Funds.

## **OTHER MATERIAL INFORMATION**

### **Affiliated Entities**

The only affiliated entities that provide services to the Funds and to the Manager in connection with the Funds are BNS, Scotia Capital and Scotia Cassels. The amount of fees received from a Fund by these entities each year is disclosed in the Fund’s audited annual financial statements. The following diagram shows the relationship between the Manager and these entities:



### **Principal Holders of Securities**

As at October 10, 2008, BNS owned all of the issued and outstanding shares of SSI. As at October 10, 2008, the principal holders of securities of each class of units of the Funds were as follows:

<b>Name and address of holder</b>	<b>Issuer</b>	<b>Class of holdings</b>	<b>Type of Ownership</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
ScotiaBank US Growth Fund Cayman Island	Scotia U.S. Index Fund	Class A units	of record and beneficial	344,920	10.2%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Class F units	of record	443	36.3%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Class F units	of record	249	20.4%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Class F units	of record	246	20.1%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Class F units	of record	146	11.9%
Scotia Capital Toronto, Ontario	Scotia Selected Balanced Income & Growth Portfolio	Class F units	of record	3,996	100.0%
Scotia Capital Toronto, Ontario	Scotia Partners Income & Modest Growth Portfolio	Class F units	of record	715	100.0%
Scotia Capital Toronto, Ontario	Scotia Partners Balanced Income & Growth Portfolio	Class F units	of record	3,652	22.9%
Scotia Capital Toronto, Ontario	Scotia Partners Balanced Income & Growth Portfolio	Class F units	of record	2,529	15.8%
Scotia Capital Toronto, Ontario	Scotia Partners Balanced Income & Growth Portfolio	Class F units	of record	2,421	15.2%
Scotia Capital Toronto, Ontario	Scotia Partners Balanced Income & Growth Portfolio	Class F units	of record	1,731	10.8%
Scotia Capital Toronto, Ontario	Scotia Partners Balanced Income & Growth Portfolio	Class F units	of record	1,706	10.7%
Scotia Capital Toronto, Ontario	Scotia Partners Moderate Growth Portfolio	Class F units	of record	7,893	10.6%
Scotia Capital Toronto, Ontario	Scotia Partners Aggressive Growth Portfolio	Class F units	of record	5,005	41.1%
Scotia Capital Toronto, Ontario	Scotia Partners Aggressive Growth Portfolio	Class F units	of record	1,555	12.8%
Scotia Capital Toronto, Ontario	Scotia Partners Aggressive Growth Portfolio	Class F units	of record	1,405	11.5%
Scotia Capital Toronto, Ontario	Scotia Partners Aggressive Growth Portfolio	Class F units	of record	1,335	11.0%
Scotia Capital Toronto, Ontario	Scotia Canadian Blue Chip Fund	Class F units	of record	740	71.4%
Scotia Capital Toronto, Ontario	Scotia Canadian Blue Chip Fund	Class F units	of record	296	28.6%
Scotia Capital Toronto, Ontario	Scotia CanAm Index Fund	Class F units	of record	1,160	100.0%
Scotia Capital Toronto, Ontario	Scotia U.S. Growth Fund	Class F units	of record	1,128	100.0%
Scotia Capital Toronto, Ontario	Scotia U.S. \$ Bond Fund	Class F units	of record	828	63.7%
Scotia Capital Toronto, Ontario	Scotia U.S. \$ Bond Fund	Class F units	of record	473	36.3%
Scotia Capital Toronto, Ontario	Scotia Mortgage Income Fund	Class F units	of record	329	100.0%
Scotia Capital Toronto, Ontario	Scotia Latin American Fund	Class F units	of record	1,872	53.5%

<b>Name and address of holder</b>	<b>Issuer</b>	<b>Class of holdings</b>	<b>Type of Ownership</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Scotia Capital Toronto, Ontario	Scotia Latin American Fund	Class F units	of record	711	20.3%
Scotia Capital Toronto, Ontario	Scotia Latin American Fund	Class F units	of record	567	16.2%
Scotia Capital Toronto, Ontario	Scotia Canadian Tactical Asset Allocation Fund	Class F units	of record	689	56.9%
Scotia Capital Toronto, Ontario	Scotia Canadian Tactical Asset Allocation Fund	Class F units	of record	478	39.4%
Scotia Capital Toronto, Ontario	Scotia Canadian Growth Fund	Class F units	of record	488	61.0%
Scotia Capital Toronto, Ontario	Scotia Canadian Growth Fund	Class F units	of record	312	39.0%
Scotia Capital Toronto, Ontario	Scotia Canadian Income Fund	Class F units	of record	6,218	27.4%
Scotia Capital Toronto, Ontario	Scotia Canadian Income Fund	Class F units	of record	2,633	11.6%
Scotia Capital Toronto, Ontario	Scotia Canadian Income Fund	Class F units	of record	2,540	11.2%
Scotia Capital Toronto, Ontario	Scotia Canadian Balanced Fund	Class F units	of record	1,717	58.3%
Scotia Capital Toronto, Ontario	Scotia Canadian Balanced Fund	Class F units	of record	1,230	41.7%
Scotia Capital Toronto, Ontario	Scotia Canadian Bond Index Fund	Class F units	of record	8,672	18.8%
Scotia Capital Toronto, Ontario	Scotia Canadian Bond Index Fund	Class F units	of record	8,328	18.0%
Scotia Capital Toronto, Ontario	Scotia Canadian Bond Index Fund	Class F units	of record	7,928	17.2%
Scotia Capital Toronto, Ontario	Scotia Canadian Bond Index Fund	Class F units	of record	5,544	12.0%
Scotia Capital Toronto, Ontario	Scotia International Index Fund	Class F units	of record	951	100.0%
Scotia Capital Toronto, Ontario	Scotia Global Opportunities Fund	Class F units	of record	820	100.0%
Scotia Capital Toronto, Ontario	Scotia International Value Fund	Class F units	of record	1,774	100.0%
Scotia Capital Toronto, Ontario	Scotia Nasdaq Index Fund	Class F units	of record	1,102	100.0%
Scotia Partners Balanced Income & Growth Portfolio	Scotia Cassels Canadian Corporate Bond Fund	Class I units	of record and beneficial	9,780,065	51.3%
Scotia Partners Moderate Growth Portfolio	Scotia Cassels Canadian Corporate Bond Fund	Class I units	of record and beneficial	5,576,381	29.2%
Scotia Partners Income & Modest Growth Portfolio	Scotia Cassels Canadian Corporate Bond Fund	Class I units	of record and beneficial	3,726,512	19.5%
Scotia Vision Conservative 2020 Portfolio	Scotia Canadian Blue Chip Fund	Class I units	of record and beneficial	131,027	28.1%
Scotia Vision Conservative 2015 Portfolio	Scotia Canadian Blue Chip Fund	Class I units	of record and beneficial	75,719	16.2%
Scotia Vision Conservative 2030 Portfolio	Scotia Canadian Blue Chip Fund	Class I units	of record and beneficial	66,365	14.2%
Scotia Vision Aggressive 2020 Portfolio	Scotia Canadian Blue Chip Fund	Class I units	of record and beneficial	57,066	12.2%

<b>Name and address of holder</b>	<b>Issuer</b>	<b>Class of holdings</b>	<b>Type of Ownership</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Scotia Vision Conservative 2010 Portfolio	Scotia Canadian Blue Chip Fund	Class I units	of record and beneficial	47,590	10.2%
Scotia Vision Conservative 2015 Portfolio	Scotia Money Market Fund	Class I units	of record and beneficial	541,029	33.5%
Scotia Vision Conservative 2010 Portfolio	Scotia Money Market Fund	Class I units	of record and beneficial	530,220	32.8%
Scotia Vision Conservative 2020 Portfolio	Scotia Money Market Fund	Class I units	of record and beneficial	401,895	24.9%
Scotia Diversified Monthly Income Fund	Scotia Mortgage Income Fund	Class I units	of record and beneficial	13,332,167	49.9%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Mortgage Income Fund	Class I units	of record and beneficial	8,216,993	30.8%
Scotia Selected Income & Modest Growth Portfolio	Scotia Mortgage Income Fund	Class I units	of record and beneficial	5,146,525	19.3%
Scotia Vision Aggressive 2030 Portfolio	Scotia Pacific Rim Fund	Class I units	of record and beneficial	38,785	53.8%
Scotia Vision Conservative 2030 Portfolio	Scotia Pacific Rim Fund	Class I units	of record and beneficial	33,317	46.2%
Scotia Vision Conservative 2030 Portfolio	Scotia Latin American Fund	Class I units	of record and beneficial	26,678	25.0%
Scotia Vision Conservative 2020 Portfolio	Scotia Latin American Fund	Class I units	of record and beneficial	25,503	23.9%
Scotia Vision Aggressive 2020 Portfolio	Scotia Latin American Fund	Class I units	of record and beneficial	22,771	21.3%
Scotia Vision Aggressive 2015 Portfolio	Scotia Latin American Fund	Class I units	of record and beneficial	15,963	14.9%
Scotia Vision Aggressive 2030 Portfolio	Scotia Latin American Fund	Class I units	of record and beneficial	15,913	14.9%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Canadian Growth Fund	Class I units	of record and beneficial	1,631,083	42.8%
Scotia Selected Moderate Growth Portfolio	Scotia Canadian Growth Fund	Class I units	of record and beneficial	1,431,804	37.5%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Global Growth Fund	Class I units	of record and beneficial	2,879,934	41.5%
Scotia Selected Moderate Growth Portfolio	Scotia Global Growth Fund	Class I units	of record and beneficial	2,762,813	39.9%
Scotia Vision Conservative 2030 Portfolio	Scotia European Fund	Class I units	of record and beneficial	113,463	23.0%
Scotia Vision Conservative 2020 Portfolio	Scotia European Fund	Class I units	of record and beneficial	74,687	15.1%
Scotia Vision Conservative 2015 Portfolio	Scotia European Fund	Class I units	of record and beneficial	72,402	14.6%
Scotia Vision Aggressive 2030 Portfolio	Scotia European Fund	Class I units	of record and beneficial	66,019	13.4%
Scotia Vision Aggressive 2020 Portfolio	Scotia European Fund	Class I units	of record and beneficial	65,046	13.2%
Scotia Selected Balanced Income & Growth	Scotia Canadian Income Fund	Class I units	of record and beneficial	23,978,734	31.2%
Scotia Selected Moderate Growth Portfolio	Scotia Canadian Income Fund	Class I units	of record and beneficial	11,505,696	15.0%
Scotia Selected Income & Modest Growth Portfolio	Scotia Canadian Income Fund	Class I units	of record and beneficial	10,720,777	14.0%

<b>Name and address of holder</b>	<b>Issuer</b>	<b>Class of holdings</b>	<b>Type of Ownership</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Scotia Partners Balanced Income & Growth Portfolio	Scotia Canadian Income Fund	Class I units	of record and beneficial	9,779,931	12.7%
Scotia Partners Moderate Growth Portfolio	Scotia Canadian Income Fund	Class I units	of record and beneficial	9,221,054	12.0%
Scotia Vision Conservative 2015 Portfolio	Scotia Global Bond Fund	Class I units	of record and beneficial	776,859	26.6%
Scotia Vision Conservative 2020 Portfolio	Scotia Global Bond Fund	Class I units	of record and beneficial	705,905	24.2%
Scotia Vision Conservative 2010 Portfolio	Scotia Global Bond Fund	Class I units	of record and beneficial	548,038	18.8%
Scotia Vision Conservative 2015 Portfolio	Scotia Canadian Index Fund	Class I units	of record and beneficial	301,007	24.7%
Scotia Vision Conservative 2020 Portfolio	Scotia Canadian Index Fund	Class I units	of record and beneficial	243,507	20.0%
Scotia Vision Conservative 2010 Portfolio	Scotia Canadian Index Fund	Class I units	of record and beneficial	189,159	15.5%
Scotia Vision Conservative 2030 Portfolio	Scotia Canadian Index Fund	Class I units	of record and beneficial	140,680	11.5%
Scotia Vision Conservative 2015 Portfolio	Scotia U.S. Index Fund	Class I units	of record and beneficial	249,279	29.4%
Scotia Vision Conservative 2020 Portfolio	Scotia U.S. Index Fund	Class I units	of record and beneficial	194,063	22.9%
Scotia Vision Conservative 2010 Portfolio	Scotia U.S. Index Fund	Class I units	of record and beneficial	116,682	13.8%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Canadian Small Cap Fund	Class I units	of record and beneficial	1,796,821	36.1%
Scotia Selected Moderate Growth Portfolio	Scotia Canadian Small Cap Fund	Class I units	of record and beneficial	1,567,876	31.5%
Scotia Partners Moderate Growth Portfolio	Scotia Canadian Dividend Fund	Class I units	of record and beneficial	3,701,327	23.3%
Scotia Partners Balanced Income & Growth Portfolio	Scotia Canadian Dividend Fund	Class I units	of record and beneficial	3,174,849	20.0%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Canadian Dividend Fund	Class I units	of record and beneficial	2,449,804	15.4%
Scotia Selected Moderate Growth Portfolio	Scotia Canadian Dividend Fund	Class I units	of record and beneficial	2,168,365	13.7%
Scotia Vision Conservative 2020 Portfolio	Scotia Canadian Bond Index Fund	Class I units	of record and beneficial	1,058,587	26.1%
Scotia Vision Conservative 2015 Portfolio	Scotia Canadian Bond Index Fund	Class I units	of record and beneficial	1,018,999	25.1%
Scotia Vision Conservative 2010 Portfolio	Scotia Canadian Bond Index Fund	Class I units	of record and beneficial	732,029	18.1%
Scotia Vision Conservative 2020 Portfolio	Scotia International Index Fund	Class I units	of record and beneficial	619,523	21.0%
Scotia Vision Conservative 2015 Portfolio	Scotia International Index Fund	Class I units	of record and beneficial	596,534	20.3%
Scotia Vision Conservative 2010 Portfolio	Scotia International Index Fund	Class I units	of record and beneficial	437,258	14.9%
Scotia Vision Conservative 2030 Portfolio	Scotia International Index Fund	Class I units	of record and beneficial	419,090	14.2%
Scotia Vision Aggressive 2020 Portfolio	Scotia International Index Fund	Class I units	of record and beneficial	359,610	12.2%

<b>Name and address of holder</b>	<b>Issuer</b>	<b>Class of holdings</b>	<b>Type of Ownership</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Scotia Selected Balanced Income & Growth Portfolio	Scotia Global Opportunities Fund	Class I units	of record and beneficial	2,833,000	36.0%
Scotia Selected Moderate Growth Portfolio	Scotia Global Opportunities Fund	Class I units	of record and beneficial	2,536,984	32.3%
Scotia Selected Balanced Income & Growth Portfolio	Scotia U.S. Value Fund	Class I units	of record and beneficial	4,509,916	38.4%
Scotia Selected Moderate Growth Portfolio	Scotia U.S. Value Fund	Class I units	of record and beneficial	4,356,393	37.1%
Scotia Selected Balanced Income & Growth Portfolio	Scotia International Value Fund	Class I units	of record and beneficial	4,927,106	34.9%
Scotia Selected Moderate Growth Portfolio	Scotia International Value Fund	Class I units	of record and beneficial	4,756,576	33.6%
Scotia Selected Balanced Income & Growth Portfolio	Scotia Global Small Cap Fund	Class I units	of record and beneficial	4,396,351	37.9%
Scotia Selected Moderate Growth Portfolio	Scotia Global Small Cap Fund	Class I units	of record and beneficial	4,264,754	36.8%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Advisor Class units	of record	4,448	27.6%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Advisor Class units	of record	3,377	20.9%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Advisor Class units	of record	2,887	17.9%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Advisor Class units	of record	2,527	15.7%
Scotia Capital Toronto, Ontario	Scotia Diversified Monthly Income Fund	Advisor Class units	of record	1,628	10.1%
Scotia Capital Toronto, Ontario	Scotia Selected Income & Modest Growth Portfolio	Advisor Class units	of record	1,061	99.2%
Scotia Capital Toronto, Ontario	Scotia Selected Balanced Income & Growth Portfolio	Advisor Class units	of record	4,272	96.5%
Scotia Securities Inc. Toronto, Ontario	Scotia Selected Moderate Growth Portfolio	Advisor Class units	of record	8	100.0%
Scotia Securities Inc. Toronto, Ontario	Scotia Selected Aggressive Growth Portfolio	Advisor Class units	of record	7	100.0%
Scotia Capital Toronto, Ontario	Scotia Canadian Tactical Asset Allocation Fund	Advisor Class units	of record	3,113	17.8%
IPC Investment Corporation	Scotia Canadian Growth Fund	Advisor Class units	of record	1,548	83.0%
Quadrus Investment Services Ltd.	Scotia Global Growth Fund	Advisor Class units	of record	551	89.1%
Scotia Capital Toronto, Ontario	Scotia Global Growth Fund	Advisor Class units	of record	64	10.4%
Quadrus Investment Services Ltd.	Scotia Global Opportunities Fund	Advisor Class units	of record	1,960	99.4%

As at October 10, 2008, IRC members, in aggregate, did not own more than 10%, directly or indirectly, of the units of any class of a Fund. As at October 10, 2008, IRC members did not own any securities of SSI or a service provider to the Funds or SSI, other than common shares of BNS. Such holdings represented less than 1% of the outstanding common shares of BNS.

## Material Contracts

Other than the Master Declaration of Trust, Distribution Agreements, Management Agreement and investment management/advisory agreements described above, the only material contracts which have been entered into by the Funds are the registrar and transfer agency agreements and custodian agreements for each of the Funds. They are as follows:

<b>Material Contract</b>	<b>Fund(s)</b>	<b>Party</b>	<b>Date of execution</b>
Registrar and Transfer Agency Agreement	T-Bill Fund, Premium T-Bill Fund, Money Market Fund, Mortgage Income Fund, U.S. Bond Fund, Canadian Blue Chip Fund, Resource Fund, U.S. Growth Fund and CanAm Index Fund	SSI	July 31, 1991
Amended & Restated Custodian Agreement	T-Bill Fund, Premium T-Bill Fund, Money Market Fund, Mortgage Income Fund, U.S. Bond Fund, Canadian Blue Chip Fund, Resource Fund, U.S. Growth Fund and CanAm Index Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	Pacific Rim Fund and Latin American Fund	SSI	August 18, 1994
Amended & Restated Custodian Agreement	Pacific Rim Fund and Latin American Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	Tactical Allocation Fund, Global Fund and Canadian Growth Fund	SSI	October 1, 1995
Amended & Restated Custodian Agreement	Tactical Allocation Fund, Global Fund and Canadian Growth Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	U.S. Money Market Fund and European Fund	SSI	September 3, 1996
Amended & Restated Custodian Agreement	U.S. Money Market Fund and European Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	Income Fund, Global Bond Fund, Dividend Fund, Balanced Fund, Canadian Index Fund, Small Cap Fund and U.S. Index Fund	SSI	October 24, 1998

<b>Material Contract</b>	<b>Fund(s)</b>	<b>Party</b>	<b>Date of execution</b>
Amended & Restated Custodian Agreement	Income Fund, Global Bond Fund, Dividend Fund, Balanced Fund, Canadian Index Fund, Small Cap Fund and U.S. Index Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	Canadian Bond Index Fund and International Index Fund	SSI	September 20, 1999
Amended & Restated Custodian Agreement	Canadian Bond Index Fund and International Index Fund	BNS	January 31, 2001
Registrar and Transfer Agency Agreement	Nasdaq Index Fund, U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund	SSI	November 30, 2000
Custodian Agreement	Nasdaq Index Fund, U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund	BNS	November 30, 2000
Registrar and Transfer Agency Agreement	Income Portfolio, Balanced Portfolio, Moderate Growth Portfolio, Aggressive Growth Portfolio	SSI	November 29, 2002
Custodian Agreement	Income Portfolio, Balanced Portfolio, Moderate Growth Portfolio, Aggressive Growth Portfolio	BNS	November 29, 2002
Registrar and Transfer Agency Agreement	Selected Income Portfolio, Selected Balanced Portfolio, Selected Moderate Portfolio and Selected Aggressive Portfolio	SSI	April 22, 2003
Custodian Agreement	Selected Income Portfolio, Selected Balanced Portfolio, Selected Moderate Portfolio and Selected Aggressive Portfolio	BNS	April 22, 2003
Registrar and Transfer Agency Agreement	Cassels Corporate Bond Fund	SSI	October 30, 2003
Custodian Agreement	Cassels Corporate Bond Fund	BNS	October 30, 2003

<b>Material Contract</b>	<b>Fund(s)</b>	<b>Party</b>	<b>Date of execution</b>
Registrar and Transfer Agency Agreement	Conservative 2010 Portfolio, Aggressive 2010 Portfolio, Conservative 2015 Portfolio, Aggressive 2015 Portfolio, Conservative 2020 Portfolio, Aggressive 2020 Portfolio, Conservative 2030 Portfolio, Aggressive 2030 Portfolio, Monthly Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund	SSI	June 10, 2005
Custodian Agreement	Conservative 2010 Portfolio, Aggressive 2010 Portfolio, Conservative 2015 Portfolio, Aggressive 2015 Portfolio, Conservative 2020 Portfolio, Aggressive 2020 Portfolio, Conservative 2030 Portfolio, Aggressive 2030 Portfolio, Monthly Income Fund, Cassels Canadian Equity Fund, Cassels North American Equity Fund, Cassels U.S. Equity Fund and Cassels International Equity Fund	BNS	June 10, 2005
Registrar and Transfer Agency Agreement	Cassels Government Bond Fund and Cassels Advantaged Income Fund	SSI	September 30, 2007
Custodian Agreement	Cassels Government Bond Fund and Cassels Advantaged Income Fund	SSI	September 30, 2007
Registrar and Transfer Agency Agreement	Climate Change Fund	SSI	January 25, 2008
Custodian Agreement	Climate Change Fund	BNS	January 25, 2008
Registrar and Transfer Agency Agreement	Cassels Cyclical Fund	SSI	November 3, 2008
Custodian Agreement	Cassels Cyclical Fund	BNS	November 3, 2008

Copies of such agreements may be inspected at the head office of the Funds during ordinary business hours on any business day.

### **Fund Mergers**

Effective April 20, 2007, Scotia Young Investors Fund merged with the Global Fund and Capital U.S. Small Companies Fund merged with the Global Small Cap Fund.

Effective December 9, 2005, Scotia Selected Conservative Growth RSP Fund merged with the Selected Moderate Portfolio, Scotia Selected Aggressive Growth RSP Fund merged with the Selected Aggressive Portfolio, Capital U.S. Large Companies RSP Fund merged with the U.S. Value Fund, Capital International Large Companies RSP Fund merged with the International Value Fund, Capital Global Discovery RSP Fund merged with the Global Opportunities Fund and Capital Global Small Companies RSP Fund merged with the Global Small Cap Fund.

Effective December 15, 2001, Scotia Canadian Short-Term Income Fund merged with the Mortgage Income Fund, Scotia Global Income Fund merged with the Global Bond Fund, Scotia Canadian Mid-Large Cap Fund merged with the Canadian Blue Chip Fund and Scotia Emerging Markets Fund merged with the Latin American Fund.

### **Change of Investment Objectives**

On November 30, 2001, the Resource Fund changed its investment objectives following the receipt of unitholder approval on October 1, 2001. The current investment objectives of the Resource Fund are set out in the simplified prospectus of the Funds.

On April 20, 2007, the U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund changed their investment objectives following the receipt of unitholder approval on April 5, 2007. The current investment objectives of these Funds are set out in the simplified prospectus.

### **Related Party Transactions**

The Manager receives management fees from the Funds as described under the sub-heading "The Manager" above. The fees received by the Manager are disclosed in the financial statements of the Funds.

SMC administers mortgages purchased by the Mortgage Income Fund pursuant to a mortgage sales and servicing agreement between the Mortgage Income Fund and SMC dated September 23, 1992. In consideration of the mortgage administration services provided by SMC, the Mortgage Income Fund pays SMC a monthly fee of 1/12 of 3/8 of 1% of the NAV of the mortgages held by that Fund.

The Resource Fund may purchase and sell precious metals and evidences thereof through BNS when BNS' prices are at least as advantageous to the Fund as other dealers' prices revealed by a reasonable sample of the market. Immediately before dealing through BNS, the Fund shall obtain and record at least one quotation from an independent, arm's length dealer, noting the dealer's name, the date and time of the quotation, the individual communicating the quotation,

the price quoted and the type of metal and quantity quoted on. The Fund's management report of fund performance or financial statements shall contain information about transactions made through BNS, including the date of each transaction, the price, the type of metal and the quantity transacted. The Fund shall govern its activities as though all assets in its portfolio constitute "securities" and "portfolio securities" for purposes of securities legislation.

BNS may earn some income as a result of the purchase by the Money Market Fund or U.S. Money Market Fund of certificates of deposit or short-term paper issued or guaranteed by BNS or the purchase of mortgages from BNS or SMC. When mortgages are sold by SMC to the Mortgage Income Fund or when certificates of deposit or short-term paper issued or guaranteed by BNS are purchased by the Money Market Fund or U.S. Money Market Fund, they will be sold at commercial rates available on an arm's length basis. Such purchases by the Money Market Fund or U.S. Money Market Fund will not be of a substantial quantity and will not result in a substantial benefit to BNS.

BNS may earn some income as a result of providing custodial services, including safekeeping and administrative services, and unitholder recordkeeping services to the Funds and as a result of acting as agent in respect of securities lending, repurchase and reverse repurchase transactions.

Scotia Cassels and Scotia Capital will earn income as a result of providing portfolio management services to certain Funds. Scotia Capital will earn brokerage fees as a result of providing trading execution services for certain Funds from time to time.

Funds that invest in underlying funds that are managed by the Manager or an associate or affiliate of the Manager will not vote any of the securities of those underlying funds. The Manager may, however, arrange for unitholders to vote their share of those securities.

### **Portfolio Advisor Changes**

Prior to April 23, 2007, Capital International Asset Management (Canada), Inc. was the portfolio advisor to the U.S. Value Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund and prior to October 29, 2004, Scotia Capital was the portfolio advisor to these Funds.

Prior to February 19, 2007, Capital International Asset Management (Canada), Inc. was the portfolio advisor to the Global Fund.

Prior to June 27, 2005, Bank of Ireland Asset Management (U.S.) Limited was the portfolio advisor to the European Fund.

Prior to January 26, 2004, Montrusco Bolton Investments Inc. was the portfolio advisor to the Tactical Allocation Fund and Global Fund.

Prior to March 17, 2003, Scotia Cassels was the portfolio advisor to the European Fund, Pacific Rim Fund and Latin American Fund.

Prior to March 1, 2002, Barclays Global Investors Canada Limited was the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund and International Index Fund.

Prior to September 18, 2001, Montrusco Bolton Investments Inc. was the portfolio advisor to the Canadian Growth Fund and Scotia Cassels was the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund and International Index Fund.

### **Fund Manager Changes**

Prior to October 24, 1998, the Income Fund, Global Bond Fund, Balanced Fund, Dividend Fund, Canadian Index Fund, Small Cap Fund and U.S. Index Fund were managed by National Trust Company.

Prior to October 1, 1995, the Tactical Allocation Fund, Canadian Growth Fund and Global Fund were managed by Montreal Trust Company of Canada.

### **Auditors, Transfer Agent and Registrar**

Ernst & Young LLP, Chartered Accountants, Box 251, Ernst & Young Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1J7 are the auditors of the Funds, except for the Income Fund, Global Bond Fund, Dividend Fund, Balanced Fund, Canadian Index Fund, U.S. Index Fund and Small Cap Fund which are audited by Gaviller & Company LLP, Chartered Accountants, P.O. Box 460, Owen Sound, Ontario, N4K 5P7.

The auditors of the Funds may only be changed with the approval of the IRC and upon providing unitholders of the Funds with 60 days' advance written notice in accordance with the provisions of the Master Declaration of Trust for the Funds and as permitted by the CSA.

SSI acts as the registrar and transfer agent for the Funds pursuant to registrar and transfer agency agreements described above. SSI has made arrangements to have certain registrar and transfer agency functions performed by BNS.

## AUDITORS' CONSENT

Scotia T-Bill Fund	Scotia Global Climate Change Fund
Scotia Premium T-Bill Fund	Scotia Canadian Bond Index Fund
Scotia Money Market Fund	Scotia CanAm Index Fund
Scotia U.S. \$ Money Market Fund	Scotia Nasdaq Index Fund
Scotia Mortgage Income Fund	Scotia International Index Fund
Scotia Cassels Short-Mid Government Bond Fund	Scotia Selected Income & Modest Growth Portfolio
Scotia Cassels Canadian Corporate Bond Fund	Scotia Selected Balanced Income & Growth Portfolio
Scotia U.S. \$ Bond Fund	Scotia Selected Moderate Growth Portfolio
Scotia Diversified Monthly Income Fund	Scotia Selected Aggressive Growth Portfolio
Scotia Cassels Advantaged Income Fund	Scotia Partners Income & Modest Growth Portfolio
Scotia Canadian Tactical Asset Allocation Fund	Scotia Partners Balanced Income & Growth Portfolio
Scotia Cassels Canadian Equity Fund	Scotia Partners Moderate Growth Portfolio
Scotia Canadian Blue Chip Fund	Scotia Partners Aggressive Growth Portfolio
Scotia Canadian Growth Fund	Scotia Vision Conservative 2010 Portfolio
Scotia Resource Fund	Scotia Vision Aggressive 2010 Portfolio
Scotia Cassels North American Equity Fund	Scotia Vision Conservative 2015 Portfolio
Scotia Cassels Cyclical Opportunities Fund	Scotia Vision Aggressive 2015 Portfolio
Scotia Cassels U.S. Equity Fund	Scotia Vision Conservative 2020 Portfolio
Scotia U.S. Growth Fund	Scotia Vision Aggressive 2020 Portfolio
Scotia U.S. Value Fund	Scotia Vision Conservative 2030 Portfolio
Scotia International Value Fund	Scotia Vision Aggressive 2030 Portfolio
Scotia Cassels International Equity Fund	
Scotia European Fund	
Scotia Pacific Rim Fund	
Scotia Latin American Fund	(collectively referred to as "Funds" and individually a "Fund")
Scotia Global Growth Fund	
Scotia Global Small Cap Fund	
Scotia Global Opportunities Fund	

We have read the simplified prospectuses and the related annual information form of the Funds, each dated November 3, 2008, relating to the distribution and sale of Class A units, Class F units, Class I units, Premium Class units and Scotia Private Client units, as applicable, of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned simplified prospectuses and the related annual information form, of our report dated February 4, 2008 to the unitholders of the Funds on the following financial statements for each of the Funds (except for Scotia Cassels Short-Mid Government Bond Fund, Scotia Cassels Advantaged Income Fund, Scotia Global Climate Change Fund and Scotia Cassels Cyclical Opportunities Fund):

- Statements of Net Assets as at December 31, 2007 and 2006;
- Statement of Investment Portfolio as at December 31, 2007;
- Statements of Operations for the periods ended December 31, 2007 and 2006 and
- Statements of Changes in Net Assets for the periods ended December 31, 2007 and 2006.

For Scotia Cassels Short-Mid Government Bond Fund and Scotia Cassels Advantaged Income Fund, we consent to the use, through incorporation by reference in the above-mentioned simplified prospectuses and the related annual information form, of our report dated February 4,

2008 to the unitholders of these two Funds on the following financial statements for each of the Funds:

- Statements of Net Assets as at December 31, 2007;
- Statement of Investment Portfolio as at December 31, 2007;
- Statements of Operations for the period from September 30, 2007 to December 31, 2007 and
- Statements of Changes in Net Assets for the period from September 30, 2007 to December 31, 2007.

For Scotia Global Climate Change Fund, we consent to the use, through incorporation by reference in the above-mentioned simplified prospectuses and the related annual information form, of our report dated January 25, 2008 to the unitholders of this Fund on the Statement of Net Assets as at January 25, 2008 for the Fund.

For Scotia Cassels Cyclical Opportunities Fund, we consent to the use, through incorporation by reference in the above-mentioned simplified prospectuses and the related annual information form, of our report dated November 3, 2008 to the unitholders of the Fund on the Statement of Net Assets as at November 3, 2008 for the Fund.

*(Signed) "Ernst & Young LLP"*

Chartered Accountants  
Licensed Public Accountants  
Toronto, Ontario

November 3, 2008

## AUDITORS' CONSENT

Scotia Canadian Income Fund  
Scotia Global Bond Fund  
Scotia Canadian Balanced Fund  
Scotia Canadian Dividend Fund  
Scotia Canadian Small Cap Fund  
Scotia Canadian Index Fund  
Scotia U.S. Index Fund

(collectively, the "Funds")

We have read the simplified prospectuses and the related annual information form of the Funds, each dated November 3, 2008 relating to the distribution and sale of Class A units, Class F units, Class I units and Scotia Private Client units, as applicable, of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned simplified prospectuses and related annual information form, of our report dated February 4, 2008 to the unitholders of the Funds, on the following financial statements for each of the Funds:

- Statements of Net Assets as at December 31, 2007 and 2006;
- Statement of Investment Portfolio as at December 31, 2007;
- Statements of Operations for the periods ended December 31, 2007 and 2006; and
- Statements of Changes in Net Assets for the periods ended December 31, 2007 and 2006.

*(Signed) "Gaviller & Company LLP"*

Chartered Accountants  
Licensed Public Accountants  
Toronto, Ontario

November 3, 2008

## CERTIFICATE OF THE FUNDS AND THE MANAGER OF THE FUNDS

Scotia T-Bill Fund	Scotia Latin American Fund
Scotia Premium T-Bill Fund	Scotia Global Growth Fund
Scotia Money Market Fund	Scotia Global Small Cap Fund
Scotia U.S. \$ Money Market Fund	Scotia Global Opportunities Fund
Scotia Mortgage Income Fund	Scotia Global Climate Change Fund
Scotia Canadian Income Fund	Scotia Canadian Bond Index Fund
Scotia Cassels Short-Mid Government Bond Fund	Scotia Canadian Index Fund
Scotia Cassels Canadian Corporate Bond Fund	Scotia U.S. Index Fund
Scotia U.S. \$ Bond Fund	Scotia CanAm Index Fund
Scotia Global Bond Fund	Scotia Nasdaq Index Fund
Scotia Diversified Monthly Income Fund	Scotia International Index Fund
Scotia Canadian Balanced Fund	Scotia Selected Income & Modest Growth Portfolio
Scotia Cassels Advantaged Income Fund	Scotia Selected Balanced Income & Growth Portfolio
Scotia Canadian Tactical Asset Allocation Fund	Scotia Selected Moderate Growth Portfolio
Scotia Canadian Dividend Fund	Scotia Selected Aggressive Growth Portfolio
Scotia Cassels Canadian Equity Fund	Scotia Partners Income & Modest Growth Portfolio
Scotia Canadian Blue Chip Fund	Scotia Partners Balanced Income & Growth Portfolio
Scotia Canadian Growth Fund	Scotia Partners Moderate Growth Portfolio
Scotia Canadian Small Cap Fund	Scotia Partners Aggressive Growth Portfolio
Scotia Resource Fund	Scotia Vision Conservative 2010 Portfolio
Scotia Cassels North American Equity Fund	Scotia Vision Aggressive 2010 Portfolio
Scotia Cassels Cyclical Opportunities Fund	Scotia Vision Conservative 2015 Portfolio
Scotia Cassels U.S. Equity Fund	Scotia Vision Aggressive 2015 Portfolio
Scotia U.S. Growth Fund	Scotia Vision Conservative 2020 Portfolio
Scotia U.S. Value Fund	Scotia Vision Aggressive 2020 Portfolio
Scotia International Value Fund	Scotia Vision Conservative 2030 Portfolio
Scotia Cassels International Equity Fund	Scotia Vision Aggressive 2030 Portfolio
Scotia European Fund	
Scotia Pacific Rim Fund	

(collectively, the “Funds”)

This annual information form, together with the simplified prospectuses required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectuses, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectuses as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

Dated: November 3, 2008

By: (Signed) “Glen B. Gowland”  
Glen B. Gowland  
President and Chief Executive Officer  
Scotia Securities Inc.

By: (Signed) “Walter Pavan”  
Walter Pavan  
Vice President, Treasurer & Chief  
Financial Officer  
Scotia Securities Inc.

On behalf of the board of directors of Scotia Securities Inc. as  
Trustee and Manager of the Funds

By: (Signed) “Russell A. Morgan”  
Russell A. Morgan  
Director

By: (Signed) “Barbara F. Mason”  
Barbara F. Mason  
Director

## CERTIFICATE OF THE PROMOTER

Scotia T-Bill Fund	Scotia Latin American Fund
Scotia Premium T-Bill Fund	Scotia Global Growth Fund
Scotia Money Market Fund	Scotia Global Small Cap Fund
Scotia U.S. \$ Money Market Fund	Scotia Global Opportunities Fund
Scotia Mortgage Income Fund	Scotia Global Climate Change Fund
Scotia Canadian Income Fund	Scotia Canadian Bond Index Fund
Scotia Cassels Short-Mid Government Bond Fund	Scotia Canadian Index Fund
Scotia Cassels Canadian Corporate Bond Fund	Scotia U.S. Index Fund
Scotia U.S. \$ Bond Fund	Scotia CanAm Index Fund
Scotia Global Bond Fund	Scotia Nasdaq Index Fund
Scotia Diversified Monthly Income Fund	Scotia International Index Fund
Scotia Canadian Balanced Fund	Scotia Selected Income & Modest Growth Portfolio
Scotia Cassels Advantaged Income Fund	Scotia Selected Balanced Income & Growth Portfolio
Scotia Canadian Tactical Asset Allocation Fund	Scotia Selected Moderate Growth Portfolio
Scotia Canadian Dividend Fund	Scotia Selected Aggressive Growth Portfolio
Scotia Cassels Canadian Equity Fund	Scotia Partners Income & Modest Growth Portfolio
Scotia Canadian Blue Chip Fund	Scotia Partners Balanced Income & Growth Portfolio
Scotia Canadian Growth Fund	Scotia Partners Moderate Growth Portfolio
Scotia Canadian Small Cap Fund	Scotia Partners Aggressive Growth Portfolio
Scotia Resource Fund	Scotia Vision Conservative 2010 Portfolio
Scotia Cassels North American Equity Fund	Scotia Vision Aggressive 2010 Portfolio
Scotia Cassels Cyclical Opportunities Fund	Scotia Vision Conservative 2015 Portfolio
Scotia Cassels U.S. Equity Fund	Scotia Vision Aggressive 2015 Portfolio
Scotia U.S. Growth Fund	Scotia Vision Conservative 2020 Portfolio
Scotia U.S. Value Fund	Scotia Vision Aggressive 2020 Portfolio
Scotia International Value Fund	Scotia Vision Conservative 2030 Portfolio
Scotia Cassels International Equity Fund	Scotia Vision Aggressive 2030 Portfolio
Scotia European Fund	
Scotia Pacific Rim Fund	

(collectively, the “Funds”)

This annual information form, together with the simplified prospectuses required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectuses, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectuses as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

Dated: November 3, 2008

The Bank of Nova Scotia  
as Promoter of the Funds

By: (Signed) “Russell A. Morgan”  
Russell A. Morgan  
Managing Director & Head, Investments,  
Group Treasury

By: (Signed) “Barbara F. Mason”  
Barbara F. Mason  
Executive Vice President  
Wealth Management

## CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR

Scotia T-Bill Fund	Scotia Latin American Fund
Scotia Premium T-Bill Fund	Scotia Global Growth Fund
Scotia Money Market Fund	Scotia Global Small Cap Fund
Scotia U.S. \$ Money Market Fund	Scotia Global Opportunities Fund
Scotia Mortgage Income Fund	Scotia Global Climate Change Fund
Scotia Canadian Income Fund	Scotia Canadian Bond Index Fund
Scotia Cassels Short-Mid Government Bond Fund	Scotia Canadian Index Fund
Scotia Cassels Canadian Corporate Bond Fund	Scotia U.S. Index Fund
Scotia U.S. \$ Bond Fund	Scotia CanAm Index Fund
Scotia Global Bond Fund	Scotia Nasdaq Index Fund
Scotia Diversified Monthly Income Fund	Scotia International Index Fund
Scotia Canadian Balanced Fund	Scotia Selected Income & Modest Growth Portfolio
Scotia Cassels Advantaged Income Fund	Scotia Selected Balanced Income & Growth Portfolio
Scotia Canadian Tactical Asset Allocation Fund	Scotia Selected Moderate Growth Portfolio
Scotia Canadian Dividend Fund	Scotia Selected Aggressive Growth Portfolio
Scotia Cassels Canadian Equity Fund	Scotia Partners Income & Modest Growth Portfolio
Scotia Canadian Blue Chip Fund	Scotia Partners Balanced Income & Growth Portfolio
Scotia Canadian Growth Fund	Scotia Partners Moderate Growth Portfolio
Scotia Canadian Small Cap Fund	Scotia Partners Aggressive Growth Portfolio
Scotia Resource Fund	Scotia Vision Conservative 2010 Portfolio
Scotia Cassels North American Equity Fund	Scotia Vision Aggressive 2010 Portfolio
Scotia Cassels Cyclical Opportunities Fund	Scotia Vision Conservative 2015 Portfolio
Scotia Cassels U.S. Equity Fund	Scotia Vision Aggressive 2015 Portfolio
Scotia U.S. Growth Fund	Scotia Vision Conservative 2020 Portfolio
Scotia U.S. Value Fund	Scotia Vision Aggressive 2020 Portfolio
Scotia International Value Fund	Scotia Vision Conservative 2030 Portfolio
Scotia Cassels International Equity Fund	Scotia Vision Aggressive 2030 Portfolio
Scotia European Fund	
Scotia Pacific Rim Fund	

(collectively, the "Funds")

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectuses required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectuses, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectuses as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

Dated: November 3, 2008

Scotia Securities Inc.  
as Principal Distributor of the Funds

By: (Signed) "Glen B. Gowland"  
Glen B. Gowland  
President and Chief Executive Officer

## **ScotiaFunds™**

### **CASH EQUIVALENT FUNDS**

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

### **INCOME FUNDS**

Scotia Mortgage Income Fund (Class A, Class F and Class I units)  
Scotia Canadian Income Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Cassels Short-Mid Government Bond Fund (Class I units and Scotia Private Client units)  
Scotia Cassels Canadian Corporate Bond Fund (Class I and Scotia Private Client units)  
Scotia U.S. \$ Bond Fund (Class A, Class F and Scotia Private Client units)  
Scotia Global Bond Fund (Class A, Class F and Class I units)

### **BALANCED FUNDS**

Scotia Diversified Monthly Income Fund (Class A and Class F units)  
Scotia Canadian Balanced Fund (Class A and Class F units)  
Scotia Cassels Advantaged Income Fund (Scotia Private Client units)  
Scotia Canadian Tactical Asset Allocation Fund (Class A and Class F units)

### **EQUITY FUNDS**

#### *Canadian Equity Funds*

Scotia Canadian Dividend Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Cassels Canadian Equity Fund (Class I units and Scotia Private Client units)  
Scotia Canadian Blue Chip Fund (Class A, Class F and Class I units)  
Scotia Canadian Growth Fund (Class A, Class F and Class I units)  
Scotia Canadian Small Cap Fund (Class A, Class F, Class I and Scotia Private Client units)  
Scotia Resource Fund (Class A, Class F and Class I units)

#### *U.S. Equity Funds*

Scotia Cassels North American Equity Fund (Scotia Private Client units)  
Scotia Cassels Cyclical Opportunities Fund (Scotia Private Client units)  
Scotia Cassels U.S. Equity Fund (Class I units and Scotia Private Client units)  
Scotia U.S. Growth Fund (Class A, Class F and Class I units)  
Scotia U.S. Value Fund (Class A, Class F and Class I units)

#### *International Equity Funds*

Scotia International Value Fund (Class A, Class F and Class I units)  
Scotia Cassels International Equity Fund (Class I units and Scotia Private Client units)  
Scotia European Fund (Class A, Class F and Class I units)  
Scotia Pacific Rim Fund (Class A, Class F and Class I units)  
Scotia Latin American Fund (Class A, Class F and Class I units)

*Global Equity Funds*

Scotia Global Growth Fund (Class A, Class F and Class I units)  
Scotia Global Small Cap Fund (Class A, Class F and Class I units)  
Scotia Global Opportunities Fund (Class A, Class F and Class I units)  
Scotia Global Climate Change Fund (Class A, Class F and Class I units)

**INDEX FUNDS**

Scotia Canadian Bond Index Fund (Class A, Class F and Class I units)  
Scotia Canadian Index Fund (Class A, Class F and Class I units)  
Scotia U.S. Index Fund (Class A, Class F and Class I units)  
Scotia CanAm<sup>®</sup> Index Fund (Class A and Class F units)  
Scotia Nasdaq Index Fund (Class A and Class F units)  
Scotia International Index Fund (Class A, Class F and Class I units)

**SCOTIA PORTFOLIOS**

*Scotia Selected<sup>®</sup> Portfolios*

Scotia Selected Income & Modest Growth Portfolio (Class A and Class F units)  
Scotia Selected Balanced Income & Growth Portfolio (Class A and Class F units)  
Scotia Selected Moderate Growth Portfolio (Class A and Class F units)  
Scotia Selected Aggressive Growth Portfolio (Class A and Class F units)

*Scotia Partners Portfolios<sup>®</sup>*

Scotia Partners<sup>™</sup> Income & Modest Growth Portfolio (Class A and Class F units)  
Scotia Partners Balanced Income & Growth Portfolio (Class A and Class F units)  
Scotia Partners Moderate Growth Portfolio (Class A and Class F units)  
Scotia Partners Aggressive Growth Portfolio (Class A and Class F units)

*Scotia Vision<sup>™</sup> Portfolios*

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

Managed by:  
Scotia Securities Inc.  
16th Floor  
40 King Street West  
Toronto, Ontario  
M5H 1H1

[www.scotiabank.com](http://www.scotiabank.com)  
1.800.268.9269  
[info@scotiabank.com](mailto:info@scotiabank.com)

Additional information about the Funds is available in the Funds' financial statements and management reports of fund performance.

You can get a copy of the Funds' financial statements and management reports of fund performance free of charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or from your registered investment professional or on the internet at [www.scotiabank.com](http://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](http://www.sedar.com).

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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, BNS. ScotiaMcLeod and ScotiaMcLeod Direct Investing are divisions of Scotia Capital Inc. Member CIPF.

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