



PROSPECTUS

May 2010



The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representations to the contrary is an offence.

This Prospectus includes information given in compliance with the Listing Rules of the Cayman Islands Stock Exchange. The Directors of Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund and Scotiabank Canadian Growth Fund, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within this document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

May 2010

PROSPECTUS

Relating to the continuous offering of Shares in the following mutual funds
on the terms described in this Prospectus

Redeemable Preferred Shares of

SCOTIABANK MONEY MARKET FUND

SCOTIABANK US DOLLAR BOND FUND

SCOTIABANK GLOBAL GROWTH FUND

SCOTIABANK US GROWTH FUND

SCOTIABANK CANADIAN GROWTH FUND

(collectively referred to as "Shares" and "Funds" respectively)

The Funds are exempted companies established under the laws of the Cayman Islands.

DISTRIBUTOR

Scotiabank & Trust (Cayman) Ltd.
Scotia Centre
6 Cardinal Avenue
P.O. Box 501
Grand Cayman KY1-1106
Cayman Islands, BWI

LISTING AGENT

Campbells Attorneys
Scotia Centre, 4th Floor
P.O. Box 884
Grand Cayman KY1-1103
Cayman Islands, BWI

NOTICE TO INVESTORS

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, attorney, accountant or other financial advisor. The contents of this Prospectus are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. Prospective investors should consult their professional advisors accordingly.

No authorized Distributor, sales agent or other person has been authorized to provide any information or to make any representations, whether orally or in writing, other than as described in this Prospectus. Any other information given or representations made by any person must be regarded as unauthorized. Any distribution or reproduction of all or any part of this Prospectus, or the divulgence of its contents other than as specifically set forth herein, is unauthorized.

A decision to subscribe for Shares should be made on the basis of the information contained in this Prospectus and the documents available for inspection specified herein, copies of which may be obtained from the Manager in the Cayman Islands. Neither the delivery of this Prospectus nor the issue of Shares shall imply that there has been no change in the affairs of the Funds since the date of this Prospectus.

The value of Shares is subject to the performance of the investments of the Funds and as these investments are subject to prevailing and unanticipated economic, political and social conditions, the value of such Shares may fall as well as rise. Past performance of the Funds is not necessarily a guide as to how the Funds will perform in the future, as economic conditions do not remain constant and are subject to change. The nature of the Funds (other than the Scotiabank Money Market Fund) is such that the Funds should be regarded as mid to long term investments (see "Risk Factors").

Shares which are issued and to be issued as described herein by Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund and Scotiabank Canadian Growth Fund were admitted to the official list of the Cayman Islands Stock Exchange with effect from November 12, 1999. No application has been made for the Funds to be listed on any other stock exchange. It is not anticipated that an active secondary market in the Shares will develop.

This Prospectus does not purport to be, and should not be construed as, a complete description of the Articles of Association of the Funds. The Articles of Association of the Funds should be reviewed for complete information concerning the rights, privileges and obligations of Shareholders.

Certain information contained in this Prospectus may constitute "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate", "intend", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in "Risks Factors", actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements.

Subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding or disposal of Shares. In making a decision whether to subscribe for Shares of a Fund, Subscribers must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits

and risks involved. No information or advice herein contained shall constitute advice to a prospective shareholder in respect of his personal position.

Statements in this Prospectus are based on the law and practice at the date hereof and are subject to change.

DISTRIBUTION

This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation would be unlawful.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any State of the United States, and, except in a transaction which does not violate such Act or laws, may not be directly or indirectly offered, sold, transferred or delivered directly or indirectly to any person in the United States or to or for the benefit of a United States person. The Funds have not been and will not be registered under the United States Investment Company Act of 1940. Subscribers for Shares will be required to declare that they are not a United States person and are not subscribing for Shares on behalf of any United States person. A United States person is defined as:

"Any citizen, national or resident of the United States (including any corporation, partnership or other entity organized or created under the laws of the United States or any political subdivision thereof and any agency or branch of a foreign entity located in the United States) or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source or any entity organized or incorporated under the laws of a jurisdiction other than the United States if formed by a United States Person principally to invest in securities not registered under United States securities laws (but no entity organized by a United States person which has been organized as an agency or branch for a valid business purpose and is engaged in the banking or insurance business and is subject to substantive local regulation will be deemed to be a United States Person)."

The Shares may not be offered, sold, or delivered, directly or indirectly, in Canada, or to, or for the benefit of, any resident thereof, in contravention of the securities laws of Canada or any Province or Territory thereof. Subscribers for Shares will be required to declare that they are not a resident of Canada and are not subscribing for Shares on behalf of any resident of Canada. Subscribers will also be required to declare that they are of legal age (as a matter of the law of their domicile and residence).

The distribution of this Prospectus and the offering of Shares of the Funds may be restricted in certain other jurisdictions and it is the responsibility of any person in possession of this Prospectus to inform himself of, and to observe, all applicable laws and regulations. Subscribers for Shares should inform themselves of the legal requirements so applying and any applicable exchange control regulations and applicable taxes in the countries of their citizenships, residence or domicile.

ENQUIRIES

Copies of this Prospectus, Subscription Form and the documents specified herein may be obtained from the Manager,

Scotiabank & Trust (Cayman) Ltd.
6 Cardinal Avenue PO Box 501
Grand Cayman KY1-1106
Cayman Islands, BWI

Telephone (345) 949-2001
Facsimile: (345) 949-7097
Email: cayman@scotiabank.com

SCOTIABANK & TRUST (CAYMAN) LTD.

Supplement to the Prospectus for Investors in Jamaica

SCOTIABANK MONEY MARKET FUND
SCOTIABANK US DOLLAR BOND FUND
SCOTIABANK GLOBAL GROWTH FUND
SCOTIABANK US GROWTH FUND
SCOTIABANK CANADIAN GROWTH FUND

Dated May 2010

Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund and Scotiabank Canadian Growth Fund, have all been registered in Jamaica by the Financial Services Commission as overseas mutual funds pursuant to the Securities (Mutual Fund) Regulations (Jamaica).

The principal place of business of the Funds in Jamaica is Scotia Centre, the corner of Duke and Port Royal Streets in the City and Parish of Kingston. Copies of the Register of Jamaican Shareholders, the Memorandum of Association and Articles of Association, the most recent audited financial statements and the most recent Prospectus shall be available for inspection there during normal business hours on any business day.

Shares in the Funds shall be available for purchase in Jamaica exclusively through a Sub-Distributorship Agreement with Scotia DBG Investments Limited (formerly Dehring Bunting & Golding Limited), a dealer registered under the Securities Act (Jamaica) and a subsidiary of Scotia Group Jamaica Limited.

The Manager and one of the Portfolio Managers are part of the Scotiabank Group and are all subsidiaries (either directly or indirectly) of The Bank of Nova Scotia in Canada. The Bank of Nova Scotia Jamaica Limited and its subsidiaries are also a part of the Scotiabank Group. The Custodian is not registered as a licensed bank or financial institution in Jamaica.

Income earned by Jamaican Shareholders of the Funds will be subject to income tax in accordance with the Jamaican income tax laws applicable from time to time.

Warning:

Approvals received from the Financial Services Commission do not constitute a guarantee by the Commission as to the performance of the Funds or their creditworthiness. Furthermore, in giving such approvals the Commission shall not be liable for the performance or default of the Funds or for the correctness of any opinions or statements expressed.

Investments in the Funds are not insured by the Jamaica Deposit Insurance Corporation.

SCOTIABANK & TRUST (CAYMAN) LTD.

ADDENDUM TO THE PROSPECTUS for Investors in the Netherlands Antilles

Dated May 2010

SCOTIABANK MONEY MARKET FUND
SCOTIABANK US DOLLAR BOND FUND
SCOTIABANK GLOBAL GROWTH FUND
SCOTIABANK US GROWTH FUND
SCOTIABANK CANADIAN GROWTH FUND

The Netherlands Antilles National Ordinance on the supervision of investment institutions and administrators (N.G. 2002, no. 137) (the "Ordinance") requires adequate disclosure and control of operations in order to allow the general public to form a well considered opinion about the offers made by the investment institutions in the Netherlands Antilles. In connection herewith, the Bank van de Nederlandse Antilles (Central Bank) granted pursuant to article 3 of the Ordinance a license to Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund and Scotiabank Canadian Growth Fund to conduct the business of an investment institution in the Netherlands Antilles.

SCOTIABANK & TRUST (CAYMAN) LTD.

ADDENDUM to the Prospectus for Investors in Trinidad and Tobago

Dated May 2010

SCOTIABANK MONEY MARKET FUND
SCOTIABANK US DOLLAR BOND FUND
SCOTIABANK GLOBAL GROWTH FUND
SCOTIABANK US GROWTH FUND
SCOTIABANK CANADIAN GROWTH FUND

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- I. This distribution is being made by foreign mutual funds pursuant to disclosure documents prepared in accordance with foreign securities laws. Purchasers should be aware that these requirements may differ from those of Trinidad and Tobago.
- II. All of the directors and officers of the foreign mutual funds, and all of the experts named in this prospectus reside outside of Trinidad and Tobago. All of the assets of these persons and of the foreign mutual funds may be located outside of Trinidad and Tobago. The foreign mutual funds have appointed Scotiabank Trinidad & Tobago Limited, Scotia Centre, Port of Spain, Trinidad as its agent for Service of Process in Trinidad and Tobago. It may not be possible for investors to effect service of process within Trinidad and Tobago upon the directors and officers referred to above. It may also not be possible to enforce against the foreign mutual funds, their directors and officers, named in this prospectus any judgements obtained in Trinidad and Tobago.
- III. Purchasers should be aware that the expert(s) responsible for any expertise statement, report or opinion in the prospectus (has/have) not submitted to the jurisdiction of Trinidad and Tobago and therefore it may not be possible for a purchaser to take legal proceedings against, the expert(s) in Trinidad and Tobago.
- IV. The foreign mutual funds are incorporated or organized under the laws of a foreign jurisdiction and the rights and remedies available under Trinidad and Tobago law may not be available.

2 The foregoing together with the following documents incorporated herein by reference:

- A. Certificate regarding use of the prospectus in Trinidad and Tobago;
- B. Form of Submission to Jurisdiction and Appointment of Agent for Service of Process for Foreign Mutual Funds;
- C. Certificate regarding Appointment of Agent to distribute securities in Trinidad and Tobago; and
- D. Certificate of Compliance with securities legislation in the home jurisdiction;

which are filed with the Trinidad and Tobago Securities and Exchange Commission, constitutes full, true and plain disclosure of all material facts relating to the securities being distributed by the prospectus.

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Management and Administration Directory

Registered and Principal Office of the Funds

The offices of Scotiabank & Trust (Cayman) Ltd.
6 Cardinal Avenue, P.O. Box 501
Grand Cayman KY1-1106,
Cayman Islands, BWI

Manager and Distributor

Scotiabank & Trust (Cayman) Ltd.
6 Cardinal Avenue, P.O. Box 501
Grand Cayman KY1-1106,
Cayman Islands, BWI

Portfolio Managers

Scotia Asset Management, L.P.
One Queen Street East, Suite 1200
Toronto, Ontario
Canada M5C 2W5

Davis Selected Advisers, L.P.
609 Fifth Avenue, 11th Floor
New York, NY 10017

Custodian

State Street Bank and Trust Company
225 Franklin Street, Boston, Massachusetts 02110,
United States of America

Administrator

Scotiabank & Trust (Cayman) Ltd.
6 Cardinal Avenue, P.O. Box 501
Grand Cayman KY1-1106,
Cayman Islands, BWI

Sub-Administrator

State Street Cayman Trust Company, Ltd.
45 Market Street - Suite #3206A
Gardenia Court, Camana Bay, P. O. Box 31113
Grand Cayman KY1-1205
Cayman Islands, BWI

Auditors

PricewaterhouseCoopers
Strathvale House
North Church Street, P.O. Box 258
Grand Cayman KY1-1104
Cayman Islands, BWI

Legal Advisors (as to Cayman Islands law) and Listing Agent

Campbells Attorneys
4th Floor, Scotia Centre
P.O. Box 884
Grand Cayman KY1-1103
Cayman Islands, BWI

Definitions

For the purposes of this Prospectus, the following expressions have the following meanings:

“Articles of Association”	means articles of association of each Fund, as amended and restated.
“Business Day”	means a day on which the New York Stock Exchange is open for business.
“Class”	means class of Shares.
“Close of Business”	see definition for “Cut Off Time”.
“Custodian”	means State Street Bank and Trust Company, in its capacity as custodian of the Funds and any successor custodian.
“Cut Off Time”	means 4:00 pm in the United States Eastern Time Zone (for the avoidance of any doubt, being such time as New York City observes) on a day that the New York Stock Exchange is open for business or before the New York Stock Exchange closes for the day, whichever is earlier.
“Dealing Day”	means each Business Day or such other day or days as the Directors may from time to time prescribe.
“Directors”	means the persons named as the directors of each Fund in this Prospectus and any successor directors.
“Distributor”	means any distributor of the Funds.
“Fund”	means Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund or Scotiabank Canadian Growth Fund, each being a Cayman Islands exempted company, and collectively referred to as the “Funds”.
“Investment Grade”	refers to the investment quality of a debt security. In order to be considered an Investment Grade debt security, the security must be rated at ‘BBB’ or higher by Standard & Poor’s and ‘Baa3’ or higher by Moody’s.
“Management Fee”	Annual fee charged to a Fund by the Manager for services provided. The fee is calculated as a percentage of the Fund’s Net Asset Value.
“Manager”	means Scotiabank & Trust (Cayman) Ltd., in its capacity as manager of the Funds and any successor manager.
“Net Asset Value”	means the net asset value of a Fund, Sub Fund, a particular Class of Shares or individual Share (as the case may be) calculated as the market value of all assets less all liabilities of the applicable Fund, Sub Fund or Class on a Dealing Day.
“Portfolio Manager”	means the portfolio manager of the applicable Fund and any successor portfolio manager.
“Prospectus”	means this prospectus as amended, supplemented or restated.
“Settlement Date”	means the date by which the transfer of cash or payment for assets (or vice-versa) must be completed for an executed order.
“Shareholder”	means a person who is registered on the Register of Shareholders of a Fund as the holder of a Share of the Fund.
“Share” or “Redeemable Preferred Shares”	means the redeemable preferred shares of a Fund offered pursuant to this Prospectus.
“Sub Fund”	means a portfolio of assets and liabilities of a Fund maintained separately from other assets and liabilities of the Fund.
“Subscription Form”	means, the form completed by a Subscriber to acquire Shares of a Fund.
“US Dollar(s)” and “US\$”	means the lawful currency of the United States of America.

Investment Objectives and Policies

Investors should recognize that each Fund has a particular investment objective and that investing in any or all of the Funds should not be considered a complete or balanced investment program.

Each of the Funds will offer Shares to Subscribers on the terms set out in the Prospectus, and is described in the Prospectus individually as a "Fund" and collectively as the "Funds".

Each of the Funds is a US dollar denominated open-ended investment company, incorporated in the Cayman Islands as an exempted company with limited liability.

The Funds may offer Shares in different Classes and Sub Funds as described in "Sub Funds and Classes" below.

SCOTIABANK MONEY MARKET FUND

FUND DETAILS

Inception Date	Class A - October 27, 1999
Currency	US Dollar
Portfolio Manager	Scotia Asset Management L.P.

Investment Objectives

Scotiabank Money Market Fund is designed to invest primarily in high quality U.S. dollar denominated debt securities, obligations and money market instruments to provide Shareholders with liquidity and preservation of capital.

Investment Strategies

The Scotiabank Money Market Fund generally invests in investment grade securities with a maturity of up to one year. The Portfolio Manager uses interest rate, yield curve and credit analysis to select individual investments and to manage the Scotiabank Money Market Fund. In conjunction with the Scotiabank Money Market Fund's other investment strategies, the Scotiabank Money Market Fund may participate in securities lending transactions in a manner considered to be most appropriate to achieving the Scotiabank Money Market Fund's overall investment objectives and enhancing the Scotiabank Money Market Fund's returns.

The main risks of investing in the Scotiabank Money Market Fund are:

- interest rate risk
- credit risk

The Scotiabank Money Market Fund may have these additional risks:

- large transaction risk

- cross Sub Fund and cross Class risk
- securities lending risk
- derivatives risk

For additional information on these risks, please see "RISK FACTORS – Specific Risks of Mutual Funds".

The Scotiabank Money Market Fund may be suitable for you if you are looking for a low risk investment and preservation of capital.

Scotiabank Money Market Fund is not permitted to:

- (a) purchase securities on margin
- (b) purchase securities other than through recognized market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis
- (c) enter into derivatives contracts for non hedging purposes, with the exception of covered calls, forwards, futures or swaps
- (d) borrow money, except for temporary borrowings, not exceeding 5% of the Net Asset Value of the Scotiabank Money Market Fund (measured as of the date of the borrowing)

No change will be made in the investment policies and restrictions described above without giving Shareholders at least 30 days prior notice in the form of a modification of, supplement to, or restatement of, this Prospectus. Although no specific restriction is included in the investment policy of the Scotiabank Money Market Fund, it is not the intention of the Directors of the Scotiabank Money Market Fund to take management control of any issuer of securities in which the Scotiabank Money Market Fund invests.

SCOTIABANK US DOLLAR BOND FUND

FUND DETAILS

Inception Date	Class A - December 21, 1992
Currency	US Dollar
Portfolio Manager	Scotia Asset Management L.P.

Investment Objectives

Scotiabank US Dollar Bond Fund is designed to invest primarily in fixed income securities, issued or guaranteed by governments and companies, to achieve modest capital appreciation over the medium to long term.

Investment Strategies

The Scotiabank US Dollar Bond Fund invests primarily in investment grade securities. The Portfolio Manager uses interest rate, yield curve and credit analysis to select individual investments and to manage the

Scotiabank US Dollar Bond Fund. The Scotiabank US Dollar Bond Fund may also invest in money market instruments, commercial paper, bankers' acceptances, mortgage backed securities, asset backed securities and other fixed income investments. The Portfolio Manager may temporarily invest the Scotiabank US Dollar Bond Fund's assets in cash or cash equivalent securities to try to protect the Scotiabank US Dollar Bond Fund during a market downturn or for other reasons. In conjunction with the Scotiabank US Dollar Bond Fund's other investment strategies, the Scotiabank US Dollar Bond Fund may participate in securities lending transactions in a manner considered to be most appropriate to achieving the Scotiabank US Dollar Bond Fund's overall investment objectives and enhancing the Fund's returns.

The main risks of investing in the Scotiabank US Dollar Bond Fund are:

- interest rate risk
- credit risk

The Scotiabank US Dollar Bond Fund may have these additional risks:

- international markets risk
- currency risk
- large transaction risk
- asset-backed securities and mortgage-backed securities risk
- cross Sub Fund and cross Class risk
- securities lending risk
- derivatives risk

For additional information on these risks, please see "RISK FACTORS – Specific Risks of Mutual Funds".

The Scotiabank US Dollar Bond Fund may be suitable for you if:

- you can accept low to medium risk to your capital
- you are investing for the medium to long term

Scotiabank US Dollar Bond Fund is not permitted to:

- (a) purchase securities on margin
- (b) purchase securities other than through recognized market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis
- (c) enter into derivatives contracts for non hedging purposes, with the exception of covered calls, forwards, futures or swaps
- (d) borrow money, except for temporary borrowings, not exceeding 5% of the Net Asset Value of the Scotiabank US Dollar Bond Fund (measured as of the date of the borrowing)

No change will be made in the investment policies and restrictions described above without giving Shareholders at least 30 days prior notice in the form of a modification of, supplement to, or restatement of, this Prospectus. Although no specific restriction is included in the investment policies of the Scotiabank US Dollar Bond Fund, it is not the intention of the Directors of the Scotiabank US Dollar Bond Fund to take management control of any issuer of securities in which the Scotiabank US Dollar Bond Fund invests.

SCOTIABANK GLOBAL GROWTH FUND

FUND DETAILS	
Inception Date	Class A - June 23, 1994
Currency	US Dollar
Portfolio Manager	Davis Selected Advisers, L.P.

Investment Objectives

Scotiabank Global Growth Fund is designed to invest primarily in the equity securities of companies located around the world to achieve capital appreciation over the long term.

Investment Strategies

The Portfolio Manager uses fundamental company analysis to identify investments that have the potential for above-average returns over the long term. The Scotiabank Global Growth Fund's assets are primarily invested in larger companies and are diversified by sector, industry, country and company. The Portfolio Manager may temporarily invest the Scotiabank Global Growth Fund's assets in cash or cash equivalent securities to try to protect the Scotiabank Global Growth Fund during a market downturn or for other reasons. In conjunction with the Scotiabank Global Growth Fund's other investment strategies, the Scotiabank Global Growth Fund may participate in securities lending transactions in a manner considered to be most appropriate to achieving the Scotiabank Global Growth Fund's overall investment objectives and enhancing the Scotiabank Global Growth Fund's returns.

The main risks of investing in the Scotiabank Global Growth Fund are:

- emerging markets risk
- equity risk
- international markets risk
- concentration risk
- currency risk

The Scotiabank Global Growth Fund may have these additional risks:

- large transaction risk

- cross Sub Fund and cross Class risk
- liquidity risk
- securities lending risk
- derivatives risk
- headline risk

For additional information on these risks, please see “**RISK FACTORS – Specific Risks of Mutual Funds**”.

The Scotiabank Global Growth Fund may be suitable for you if:

- you seek the growth and diversification potential of investing primarily in the equity securities of companies around the world
- you can accept medium to high risk to your capital
- you are investing for the long term

Scotiabank Global Growth Fund is not permitted to:

- a) purchase securities on margin
- b) sell securities short
- c) purchase securities other than through recognized market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm’s length basis
- d) enter into derivatives contracts for non hedging purposes, with the exception of covered calls, forwards, futures or swaps
- e) borrow money, save for temporary borrowings, not exceeding 5% of the Net Asset Value of the Scotiabank Global Growth Fund (measured as of the date of the borrowing)

No change will be made in the investment policies and restrictions described above without giving Shareholders at least 30 days prior notice in the form of a modification of, supplement to, or restatement of, this Prospectus. Although no specific restriction is included in the investment policies of the Scotiabank Global Growth Fund, it is not the intention of the Directors of the Scotiabank Global Growth Fund to take management control of any issuer of securities in which the Scotiabank Global Growth Fund invests.

SCOTIABANK US GROWTH FUND

FUND DETAILS

Inception Date	Class A - October 27, 1999
Currency	US Dollar
Portfolio Manager	Davis Selected Advisers, L.P.

Investment Objectives

Scotiabank US Growth Fund is designed to invest primarily in the equity securities of U.S. companies to achieve capital appreciation over the long term.

Investment Strategies

The Portfolio Manager uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. The Scotiabank US Growth Fund’s assets are diversified by sector, industry and company. The Portfolio Manager may temporarily invest the Scotiabank US Growth Fund’s assets in cash or cash equivalent securities to try to protect the Scotiabank US Growth Fund during a market downturn or for other reasons. In conjunction with the Scotiabank US Growth Fund’s other investment strategies, the Scotiabank US Growth Fund may participate in securities lending transactions in a manner considered to be most appropriate to achieving the Scotiabank US Growth Fund’s overall investment objectives and enhancing the Scotiabank US Growth Fund’s returns.

The main risks of investing in the Scotiabank US Growth Fund are:

- equity risk
- currency risk

The Scotiabank US Growth Fund may have these additional risks:

- international markets risk
- headline risk
- financial services risk
- large transaction risk
- cross Sub Fund and cross Class risk
- liquidity risk
- securities lending risk
- derivatives risk

For additional information on these risks, please see “**RISK FACTORS – Specific Risks of Mutual Funds**”.

The Scotiabank US Growth Fund may be suitable for you if:

- you seek the growth and diversification potential of investing primarily in the equity securities of U.S. companies
- you can accept medium to high risk to your capital
- you are investing for the long term

Scotiabank US Growth Fund is not permitted to:

- (a) purchase securities on margin
- (b) sell securities short
- (c) purchase securities other than through recognized market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm’s length basis

- (d) enter into derivatives contracts for non hedging purposes, with the exception of covered calls, forwards, futures or swaps
- (e) borrow money, save for temporary borrowings, not exceeding 5% of the Net Asset Value of the Scotiabank US Growth Fund (measured as of the date of the borrowing)

No change will be made in the investment policies and restrictions described above without giving Shareholders at least 30 days prior notice in the form of a modification of, supplement to, or restatement of, this Prospectus. Although no specific restriction is included in the investment policies of the Scotiabank US Growth Fund, it is not the intention of the Directors of the Scotiabank US Growth Fund to take management control of any issuer of securities in which the Scotiabank US Growth Fund invests.

SCOTIABANK CANADIAN GROWTH FUND

FUND DETAILS	
Inception Date	Class A - June 23, 1994
Currency	US Dollar
Portfolio Manager	Scotia Asset Management L.P.

Investment Objectives

Scotiabank Canadian Growth Fund invests primarily in the equity securities of Canadian companies to achieve capital appreciation over the long term.

Investment Strategies

The Portfolio Manager uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. The Scotiabank Canadian Growth Fund's assets are diversified by sector, industry and company and a portion of its assets may be invested in the securities of companies located outside of Canada. The Portfolio Manager may temporarily invest the Scotiabank Canadian Growth Fund's assets in cash or cash equivalent securities to try to protect the Scotiabank Canadian Growth Fund during a market downturn or for other reasons. In conjunction with the Scotiabank Canadian Growth Fund's other investment strategies, the Scotiabank Canadian Growth Fund may participate in securities lending transactions in a manner considered to be most appropriate to achieving the Scotiabank Canadian Growth Fund's overall investment objectives and enhancing the Scotiabank Canadian Growth Fund's returns.

The main risks of investing in the Scotiabank Canadian Growth Fund are:

- equity risk
- currency risk

The Scotiabank Canadian Growth Fund may have these additional risks:

- international markets risk
- large transaction risk
- cross Sub Fund and cross Class risk
- liquidity risk
- securities lending risk
- derivatives risk

For additional information on these risks, please see "RISK FACTORS – Specific Risks of Mutual Funds".

The Scotiabank Canadian Growth Fund may be suitable for you if:

- you seek the growth and diversification potential of investing primarily in a broad range of Canadian equity securities
- you can accept medium to high risk to your capital
- you are investing for the long term

Scotiabank Canadian Growth Fund is not permitted to:

- a) purchase securities on margin
- b) sell securities short
- c) purchase securities other than through recognized market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis
- d) enter into derivatives contracts for non hedging purposes, with the exception of covered calls, forwards, futures or swaps
- e) borrow money, save for temporary borrowings, not exceeding 5% of the Net Asset Value of the Scotiabank Canadian Growth Fund (measured as of the date of the borrowing)

No change will be made in the investment policies and restrictions described above without giving Shareholders at least 30 days prior notice in the form of a modification of, supplement to, or restatement of, this Prospectus. Although no specific restriction is included in the investment policies of the Scotiabank Canadian Growth Fund, it is not the intention of the Directors of the Scotiabank Canadian Growth Fund to take management control of any issuer of securities in which the Scotiabank Canadian Growth Fund invests.

Sub Funds and Classes

Each Fund may establish, by resolution of its Directors, separate portfolios known as "Sub Funds" (each a "Sub Fund") from time to time. Each Fund is permitted to create Sub Funds in order to segregate the assets and liabilities that are held within or on behalf of a particular portfolio from the assets and liabilities of any other portfolio. The Fund may establish multiple Classes of Shares, which may have terms that differ from those governing the other classes of Shares, without obtaining the consent of Shareholders. A Sub Fund's assets are only available and may only be used to meet liabilities to creditors in respect of the particular Sub Fund and are not available to meet liabilities to creditors in respect of other Sub Funds, but note "Cross Sub Fund and Cross Class Risk" in RISK FACTORS. The Fund may create a Sub Fund in respect of each Class of Shares or aggregate several Classes.

Each Sub Fund is, in effect, a separate fund issuing a separate class of shares. A Shareholder's interest is limited to the assets held in the Sub Fund associated with the Class in which it holds Shares. Each Class of the Fund attributable to a Sub Fund will bear the expenses and liabilities directly attributable to that Class and a portion of the Fund's general administrative expenses allocated on the basis of total net assets or another equitable method.

In the case of any asset or liability of a Fund which the Directors do not consider to be attributable to a particular Sub Fund, the Directors shall have the discretion to determine the basis upon which any such asset or liability shall be allocated between or among the Sub Funds and the Directors shall have power at any time and from time to time to vary such basis.

The Subscription Form for each Fund will identify what Sub Funds and Classes are available. All Funds offer Class A Shares denominated in United States dollars.

Dividend Policy

It is not the present intention that any of the Funds will make any distributions of income or capital gains by way of dividends and accordingly may not be a suitable investment for Shareholders seeking regular cash distributions. Income and net realized capital

gains will be reflected in the Net Asset Value of the Shares of each Fund. However the Directors of each Fund may authorize dividends in their complete and unfettered discretion from time to time.

Risk Factors

WHAT ARE THE RISKS?

Risk is often measured by volatility or the extent of which the net asset value of a mutual fund fluctuates. The value of a fund's shares can change from day to day for many reasons, including changes in the economy, interest rates, and market news affecting a particular company or industry sector, which the Fund may be invested in.

The degree of risk depends on the fund's investment objectives and the types of securities it invests in. A general rule of investing is that the higher the risk, the higher the potential for gains or losses.

- Cash equivalent funds - usually offer the least risk as they invest in highly liquid, short-term investments such as treasury bills. Their potential returns are tied to short-term interest rates.
- Bond funds - generally have a medium level of risk as they invest in fixed income securities that fluctuate in value based on changes in interest rates or in the credit quality of an investment. Bond funds typically have higher long term returns than cash equivalent funds.
- Equity funds - have the highest level of risk as they invest in equity securities, such as common shares, whose prices can rise or fall significantly in a short period of time.

MANAGING RISK

One way to manage risk is to diversify investments across the three main asset classes: cash, bonds and equities. Since different types of investments tend to move independently from one another, positive performance in one asset class may help offset negative performance in another, thereby reducing volatility and overall risk over the long term, however, there can be no guarantee such an approach will mitigate risk.

While risk is an important factor to consider when choosing a fund, an investor should also think about their investment goals and time horizon (ie. when

they will need the money). For example, if an investor is saving for a large purchase in the next year or so, they should consider investing in a fund with very low risk. However, if they want their retirement savings to grow over the next 20 years, they likely should put more of their money in funds bearing more risk.

A carefully chosen mix of investments can help reduce risk and still help meet investment goals. A mutual fund representative can help to build a portfolio that is suited to your goals and risk comfort level. If investment goals or tolerance for risk change, you can and should change your investments to match your new situation.

SPECIFIC RISKS OF MUTUAL FUNDS

Asset-backed securities and mortgage-backed securities risk - Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Concentration risk - Mutual funds that concentrate their investments in a single industry, country or geographic area. This allows them to focus on the potential of that particular industry, country or area or in a relatively few number of securities. Mutual funds that concentrate their investments tend to have greater fluctuations in price than funds with broader diversification. Funds that invest in fewer securities have greater concentration risk.

Credit Risk - Credit risk is the risk that the government or company that issued a fixed income or money market security will be unable to make interest payments or pay back the principal. Securities that have a low credit rating have higher credit risk. Lower-rated debt securities issued by companies or governments in developing countries generally have higher credit risk. Securities issued by well-established companies or by governments of developed countries generally have lower credit risk. The market value of a debt security can be affected by a change in the

issuer's credit rating resulting from a change in the creditworthiness, or perceived creditworthiness, of the issuer. Credit ratings are not solely objective measurements of credit risk of any issuer.

Cross Sub Fund and Cross Class Risk - Some Funds may establish separate Sub Funds or offer two or more Classes of Shares of the same Fund. Although the Net Asset Value of each Sub Fund or Class is calculated separately, there remains a risk that the expenses or liabilities of one Sub Fund or Class of Shares may affect the Net Asset Value of the other Sub Funds or Classes as in the event of the insolvency of the Fund, if one Sub Fund or Class is unable to cover its liabilities, the other Sub Funds or Classes are legally responsible for covering the difference.

Currency Risk - When a Fund buys or holds an investment that is denominated in a currency other than US dollars, changes in the exchange rate between that currency and the US dollar will affect the value of the Fund.

Derivatives Risk - Derivatives can be useful for hedging against loss, gaining exposure to financial markets and making indirect investments, but they involve certain risks:

- Hedging with derivatives may not achieve the intended result. Hedging instruments rely on historical or anticipated correlations to predict the impact of certain events, which may or may not occur. If they occur, they may not have the predicted effect.
- It is difficult to hedge against trends that the market has already anticipated.
- Costs relating to entering and maintaining derivatives contracts may reduce the returns of a Fund.
- A currency hedge will reduce gains in the event that the hedged currency increases in value.
- Currency hedging can be difficult in smaller emerging growth countries because of the limited size of their markets.
- Currency hedging provides no protection against changes in the value of the underlying securities.
- There is no guarantee that a liquid exchange or market for derivatives will exist. This could prevent a Fund closing out its positions to realize gains or limit losses. At worst, a Fund might face losses from having to settle underlying futures contracts.
- The prices of derivatives can be distorted if trading in their underlying assets is halted.

Trading in the derivative might be interrupted if trading is halted in a large number of the underlying stocks or assets. This would make it difficult for a Fund to close out its positions.

- The other party in a derivatives contract might not be able to meet its obligations.
- Derivatives trading on foreign markets may take longer and be more difficult to complete. Derivatives on foreign markets are subject to international markets risk.
- Investment dealers and futures brokers may hold a Fund's assets on deposit as collateral for a derivative contract. As a result, someone other than the Fund's custodian is responsible for the safekeeping of that portion of the Fund's assets.

Emerging Markets Risk - Some mutual funds may invest in foreign companies or governments which may be located in, or operate in, developing countries. In general, securities issued in more developed markets, such as Western Europe and North America, have lower international markets risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, have significant international markets risk and may be exposed to emerging markets risk. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability, possible corruption, as well as lower standards of business regulation increase the risk of fraud and other legal issues. Mutual funds that invest in emerging market securities may be exposed to greater volatility as a result of such issues.

Equity Risk - Funds that invest in equities, such as common shares, are affected by changes in the general economy and by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices and stock markets will generally rise, as will the value of a fund that holds shares in these companies. On the other hand, share prices usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the value of the overall stock market because of changes in the outlook for those individual companies or the particular industry.

Financial Services Risk - Risks of investing in the financial services sector include:

- Regulatory actions: financial services companies may suffer setbacks if regulators change the rules under which they operate.

- Changes in interest rates: unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector.
- Non-diversified loan portfolios: financial services companies whose securities the Fund purchases may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry.
- Credit: financial services companies may have exposure to investments or agreements which, under certain circumstances, may lead to losses, for example sub-prime loans.
- Competition: the financial services sector has become increasingly competitive.

Headline Risk - The Fund may seek to acquire companies with durable business models that can be purchased at attractive valuations relative to what the Portfolio Manager believes to be the companies' intrinsic values. The Fund may make such investments when a company becomes the center of controversy after receiving adverse media attention. The company may be involved in litigation, the company's financial reports or corporate governance may be challenged, the company's public filings may disclose a weakness in internal controls, greater government regulation may be contemplated, or other adverse events may threaten the company's future. While the Portfolio Manager researches companies subject to such contingencies, the Fund cannot be correct every time, and the company's stock may never recover.

Interest Rate Risk - Mutual funds that invest in fixed income securities, such as bonds and money market instruments, are affected by changes in the general level of interest rates. In general, when interest rates rise, the value of these investments tends to fall. When rates fall, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates.

International Markets Risk - Mutual funds that invest in securities of foreign companies or governments are subject to additional risk.

- The economic environment or the particular economic and political factors of a country or geographic region in which the foreign issuer operates may impact the value of its securities.
- Volume, liquidity and price volatility in some foreign stock and bond markets may vary.
- Stock exchanges, listed companies and investment dealers in foreign countries may be less regulated

or have different regulations and reporting practices relative to an investor's local market.

- Political and social instability, restrictions on the movement of capital and the threat of expropriation, can affect the value of investments.

Large Transaction Risk – Shares of the Funds may be purchased in a large number by an entity or entities such as another investment fund. These types of Shareholders may make large purchases or redemptions of a Fund. In the case where an entity purchases a large number of Shares, the Fund may temporarily have a higher than normal cash position until this cash can be invested. In the case of a large redemption, the Fund may be required to sell existing investments at unfavorable prices if it does not have enough cash on hand to fund the redemption. In order to mitigate the impact of this risk to Shareholders, the Fund may require large Shareholders to provide notice when significant redemptions are being contemplated.

Liquidity Risk - Liquidity Risk is the possibility that a mutual fund will not be able to convert its investments into cash when it needs to, or will not be able to do so without causing the price of the investments to drop. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or sellers, or other reasons. Generally, investments with lower liquidity tend to be subject to more dramatic price changes and this may subject the holder to losses or additional costs. Investments in other funds are often subject to restricted transferability, partially gated redemptions, or suspension of redemptions, which significantly increases liquidity risk.

Market Risk - If the markets fall substantially across all sectors of the global economy or a particular industry sector in which a Fund is invested then a Fund's Net Asset Value will likely drop in line with the market decline.

Securities Lending Risk - Some mutual funds may enter into securities lending transactions to generate additional income from securities held in a mutual fund's portfolio. A mutual fund may lend securities held in its portfolio to qualified borrowers who provide adequate collateral. In lending its securities, a mutual fund is exposed to the risk that the borrower may not be able to satisfy its obligations under the securities lending agreement and the lending mutual fund is forced to take possession of the collateral held. Losses could result if the collateral held by the

mutual fund is insufficient, at the time the remedy is exercised, to replace the securities borrowed.

Small Company Risk - The prices of shares issued by smaller companies tend to fluctuate more than those of larger companies. Smaller companies may not have established markets for their products and may not have solid financing. These companies generally issue few shares and have a lower share trading volume, which increases their liquidity risk.

NO ASSURANCE CAN BE GIVEN THAT ANY OF THE FUNDS WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

Transactions-Subscription, Registration, Redemption, Transfer and Exchange

TRANSACTIONS

All Fund transactions must be processed through an authorized Distributor. Transactions include the subscription, redemption, transfer and/or exchange of Shares, as well as any changes to the registration particulars of Shares. Shares of a Fund are issued or redeemed at the price determined by reference to the Net Asset Value of the Fund (see "Valuations") on the applicable Dealing Day. In order for transactions to be accepted on a Dealing Day, instructions must be received by the Manager, in good order, by the Cut Off Time. Instructions, in good order, received after the Cut Off Time will be processed on the next Dealing Day.

SUBSCRIPTION

Shares of a Fund are issued by the Fund at the subscription price determined by reference to the Net Asset Value of the Fund (see "Valuations") on the applicable Dealing Day.

The initial subscription of Shares requires the completion of a Subscription Form, or such other form that an authorized Distributor may require, in good order. To invest in one or more Funds, Subscribers must forward instructions to purchase Shares to the Manager through an authorized Distributor of the Funds. For a subscription to be accepted on a Dealing Day, instructions must be received by the Manager, before the Cut Off Time on such day. Instructions received after the Cut Off Time will be dealt with on the next applicable Dealing Day.

Payment in full must be received within three Business Days of placing a subscription for all Funds, except the Scotiabank Money Market Fund. For the Scotiabank Money Market Fund, payment in full must be received within one Business Day of placing a subscription. No interest is credited or paid on subscription monies pending the issue of Shares, and no Shares of a Fund will be issued whilst the calculation of its Net Asset Value is suspended. The Manager reserves the right to cancel a subscription if payment is not received by the Settlement Date. Any expenses and losses suffered by the Fund in the event of non-payment, shall be paid by the authorized Distributor, and the Subscriber may be responsible to the authorized Distributor, depending upon arrangements with that authorized Distributor.

With the exception of the Scotiabank Money Market Fund, for which no initial sales charge is payable, an initial sales charge of up to 5% of the total amount paid by Shareholders may be deducted by the Manager and paid as a commission to the authorized Distributor. Sales charges are negotiable between the Subscriber and the authorized Distributor. The net subscription amount, after deduction of the initial sales charge, if any, will be invested in the designated Fund if, and only if, the subscription order is accepted.

The Manager reserves the right to require, at any time, satisfactory evidence that a Subscriber is legally entitled to acquire and hold Shares. The right is reserved to reject any subscription for Shares in whole or part, whenever deemed appropriate. If a subscription is rejected, the subscription monies will be returned without interest, at the risk and expense of the Subscriber, within three Business Days of rejection.

The minimum initial investment per Fund is US\$1,000, or such other amount or currency as may be prescribed from time to time by the Directors. Each additional investment must be at least US\$100.

REGISTRATION

Shares are issued in registered form and no certificates will be issued. Each Fund will issue a transaction confirmation which will act as confirmation of purchase. The advantage of a confirmation over a certificate is that Shares may be redeemed or transferred without the necessity of surrendering the applicable certificate.

PRE - AUTHORIZED CONTRIBUTIONS (PAC)

Following an initial investment of US\$1,000 in a Fund, or US\$5,000 in an AMS (see "Asset Management Service") account, a Shareholder may make regular Pre-Authorized Contributions for Shares of a Fund or AMS account using automatic transfers from his or her Scotiabank banking account to the Fund, or AMS account, selected. Following the initial investment, a Shareholder can invest a minimum monthly PAC amount of US\$100.

Instructions may be sent to discontinue the Pre-Authorized Contributions at anytime.

REDEMPTION

Shares will be redeemed at the redemption price determined by reference to the Net Asset Value of the relevant Fund (see "Valuations") on the applicable Dealing Day. For a redemption to be accepted on a Dealing Day, the instructions to redeem must be received in good order before the Cut Off Time on such day and any later instructions shall be dealt with on the next applicable Dealing Day. No Shares may be redeemed whilst the calculation of Net Asset Value of the Fund is suspended.

With the exception of Shares of the Scotiabank Money Market Fund, Shares that are redeemed or exchanged within 90 days of purchase may be subject to a redemption fee of up to 2% of the redemption amount paid to the Fund, at the discretion of the Manager.

Payment of redemption proceeds will normally be dispatched within seven Business Days after the relevant Dealing Day at the risk and expense of the Shareholder, subject to delay where necessary to conduct an orderly liquidation of appropriate assets to satisfy the redemption requests. The details of where such monies are to be forwarded must accompany each redemption instruction. The Manager will reserve the right to insist on instructions being received in writing with regard to payment under the verified signature of the Shareholder. When there are multiple Shareholders on an account and the redemption instruction does not provide express payment instructions, proceeds will be made payable to all the Shareholders.

TRANSFER OF OWNERSHIP

For transfers of ownership, signed completed transfers must be forwarded to the Manager through

an authorized Distributor of the Funds. Similarly, when changing names or Shareholder registration (for example by adding additional Shareholders or transferring the Shares), it is necessary to provide a signed completed transfer and open a new account for the transferee.

A Fund may decline to register a transfer of Shares:

- (a) unless a fully and duly completed instrument of transfer is provided to the Manager together with any other evidence necessary to show the transferor's right to transfer,
- (b) if the transferee and any person upon whose behalf the transferee would hold them are prohibited from investing in the Funds as described in "Distribution",
- (c) if following registration, the holdings of the transferee (and the transferor if such be the case) would result in their being subject to compulsory redemption (see "**SUSPENSION AND COMPULSORY REDEMPTION** - Compulsory Redemption").

EXCHANGES

A Shareholder holding Shares in one Fund may exchange such Shares for Shares in any of the other Funds described in this Prospectus. The exchange shall take place as a redemption of the Shares held and applying the redemption proceeds to subscribe for Shares in the other Fund. Administration charges or sales fees may be charged on such transactions.

The first time Shares are exchanged out of the Scotiabank Money Market Fund (ie. exchanging Scotiabank Money Market Shares purchased for cash), a sales charge of up to 5% of the total dollar amount of the exchange may be deducted and paid as a commission to the authorized Distributor. Sales charges are negotiable between a Shareholder and the Shareholder's authorized Distributor. The net amount, after deduction of the sales charge, if any, will be invested in the designated Fund.

Asset Management Service

The Asset Management Service (AMS) offers Shareholders 6 professionally designed AMS Model portfolios to meet specific long-term investment objectives. Each AMS Model is constructed by using a

combination of Funds of any of the three main asset classes; cash and cash equivalents, fixed-income and growth. Funds within each asset class will be assigned a prescribed weighting within the AMS Model. The prescribed weightings for the Funds, for each AMS Model is determined by the Manager and may be changed from time to time without notification to Shareholders. A Shareholder electing to open an AMS account is authorizing the Manager as its attorney-in-fact to subscribe and redeem Shares of any of the Funds as, and when, the Manager deems appropriate to maintain the AMS Model selected by the Shareholder.

A Subscriber may request an account be managed by the Manager in accordance with a specific AMS Model. AMS Model names, primary objectives, risks characteristics and potential portfolio volatility are as follows:

Preservation of Capital - The primary objective is to protect principal. Holders of this AMS Model are willing to accept the lowest return in exchange for the highest security and are only willing to accept minimal risk that their investments might decline in value even in the short term.

Conservative Income - The primary objective is to earn a modest income while protecting principal. Holders of this AMS Model are willing to accept modest returns in exchange for greater security and accept that the value of their AMS account will fluctuate modestly from time to time.

Income & Conservative Growth - The primary objective is a high level of income with some growth potential. Holders of this AMS Model accept that the value of their AMS account will fluctuate modestly from time to time.

Balanced Income & Growth - The primary objective is growth with some income and exposure to the three major asset classes. Holders of this AMS Model accept that the value of their AMS account will fluctuate moderately from time to time.

Moderate Growth - The primary objective is to achieve a high level of growth with some income potential. Holders of this AMS Model accept that the total value of their AMS account may fluctuate considerably from time to time.

Aggressive Growth - The primary objective is to achieve the maximum growth potential over the long-term. Holders of this AMS Model accept that the total value of their AMS account may fluctuate extremely from time to time.

When an AMS Model is selected for an AMS account, all subsequent AMS purchases and redemptions will be allocated based on the prescribed fund weightings for the selected AMS Model.

On the 20th of March, June, September, and December (calendar quarter end month) or the next available Dealing Day if the 20th is not a Dealing Day, (each a Rebalancing Day), AMS accounts will be electronically reviewed to determine if any of the Funds that constitute the assigned AMS Model have deviated from their prescribed weighting by 3.0% or more positively or negatively. In the event that any Fund has deviated by 3.0% or more with respect of the assigned AMS Model, holdings of Shares will be rebalanced to the prescribed Fund weightings of the assigned AMS Model, resulting in an appropriate exchange of Shares. Individual holdings of Shares in Funds are exchanged to restore the account to the assigned AMS Model's specifications. Commission charges, if applicable, may be charged on these transactions.

The minimum initial investment in an AMS account is US\$5,000 or such other amounts or currencies as may be prescribed from time to time by the Directors. Subscriptions for subsequent investment in an AMS account are subject to a minimum of US\$100 which will be allocated to the individual Funds within the AMS Model selected by the Subscriber.

The annual fee for each AMS account is 0.1% (minimum US\$25, maximum US\$100) of the market value of the AMS account on the last Rebalancing Day of each calendar year. The calculated annual fee is deducted directly from each AMS account, and paid to the Manager. The Manager reserves the right to suspend or cancel this service at any time, in any jurisdiction, without notice.

Valuation

The Net Asset Value of each of the Funds, the Sub Funds, the Classes and the Shares will be determined by the Manager as at the close of business on each Dealing Day in accordance with the principles set out in the Articles of Association and in accordance with International Financial Reporting Standards ("IFRS"). Securities for which market quotations are not readily available are valued at their fair value using methods

which are in accordance with IFRS and which have been approved by the Manager. Subject to the approval of the Directors, the Manager may depart from the normal valuation principles if the Manager, in good faith, believes that the use of a different valuation principle or principles is appropriate. The Net Asset Value represents the market value of all assets less all liabilities of the relevant Fund on the Dealing Day.

The subscription and redemption price for Shares are calculated by taking the Net Asset Value of a Fund, Sub Fund or Class (as the case may be) on the relevant Dealing Day and dividing it by the number of Shares of the Fund, Sub Fund or Class (as applicable) in issue or deemed to be in issue.

Suspension & Compulsory Redemption

SUSPENSION

The determination of Net Asset Value of a Fund may be declared suspended by the Directors for the whole or part of a period during which:

- (a) by reason of the closure or suspension of trading on any capital market or exchange or over the counter market or for any other reason, the Directors consider it not reasonably practicable for the investments of the Fund to be realized or disposed of or for the Net Asset Value of all or any Class of Shares to be fairly determined;
- (b) as a result of an emergency state of affairs, the reasonable disposal or sale of securities of the Fund becomes impracticable or there exist circumstances which the Directors deem will cause material harm or serious prejudice to the Fund or the Fund's Shareholders;
- (c) there is a breakdown in the means normally employed by the Directors in ascertaining the value of assets or for any other reason the Directors consider that they cannot ascertain the value of assets of the Fund during the valuation process on the Dealing Day; or
- (d) the Directors deem it impracticable to transfer moneys of or for the Fund at applicable exchange rates at any time.

Management & Service Providers

Any such suspension shall be publicized by the Fund in such manner as the Directors may think fit, shall be communicated immediately to the Cayman Islands Stock Exchange, and shall take effect at such time as the Directors shall declare, but not later than as at the Close of Business on the Business Day next following such declaration. Thereafter there shall be no determination of the Net Asset Value of the Fund until the Directors shall declare the suspension at an end, except that the suspension shall terminate, in any event, on the first Business Day on which:

- (i) the condition giving rise to the suspension shall have ceased to exist; and
- (ii) no other condition under which suspension is authorized shall exist.

During any suspension of valuation, the subscription and redemption of Shares will also be suspended of the Fund; and any unprocessed redemption requests may be withdrawn in writing during the period of suspension.

COMPULSORY REDEMPTION

Each Fund may redeem its Shares at the current redemption price, in certain circumstances including, but not limited to, the following:

- (a) the redemption value of the Shares in a Fund held by a Shareholder is less than US\$1,000 (excluding where caused by declining Net Asset Value), or such other amount or currency as the Directors may determine either generally or in any particular case; or
- (b) it comes to the notice of the Manager that Shares are owned directly or beneficially in breach of any law or requirement of any country or governmental authority or that any person is not qualified to hold such Shares directly or beneficially by virtue of such law or requirement or that the relevant Shareholder has refused or failed to provide satisfactory evidence that such Shares are not being held in breach of such law or requirement; or
- (c) it comes to the notice of the Manager that continued direct or beneficial ownership of any Shares might result in pecuniary or financial disadvantage to any Fund or any of its agents or any of its Shareholders.

SCOTIABANK GROUP

The Manager and Scotia Asset Management L.P. are both members of the Scotiabank Group and have extensive experience and successful track records in carefully managing investments for their clients. The history of the Scotiabank Group dates back to 1832; Scotiabank is one of the five largest banks in Canada and among its leading financial institutions with over Cdn\$486 billion in assets, over two thousand six hundred (2,600) branches and offices in some fifty (50) countries as at the date hereof. As companies and personnel within Scotiabank Group direct, control and manage the Funds, the operations of the Funds may give rise to conflicts of interest or duty. The Articles of Association of the Funds contain provisions that authorize the Directors to act notwithstanding such conflicts.

SCOTIABANK GROUP'S OTHER ACTIVITIES

The Bank of Nova Scotia ("Scotiabank") is a global financial institution. Scotiabank, together with its affiliates, officers, employees and agents (the "Scotiabank Group"), are engaged in wholesale and retail banking, lending, equity investing, financial and merger and acquisition advisory, underwriting, investment management, brokerage, trustee, custodial and similar activities on a world-wide basis. In addition, members of the Scotiabank Group may manage other funds with objectives identical or similar to or overlapping those of a Fund. In the course of engaging in these activities, members of the Scotiabank Group may compete with a Fund or provide financing or other services to competitors of a Fund. Members of the Scotiabank Group will be under no obligation to refer any opportunity to a Fund, or refrain from investing in, or providing advice or services to others with respect to any such opportunity. Members of the Scotiabank Group have relationships with a significant number of clients and provide, and will in the future provide, advisory services to its clients. In the course of considering the execution of any transaction on behalf of a Fund, the Manager and/or Scotia Asset Management L.P. may consider a client relationship and may choose not to execute any such transaction for a Fund on account of any such client relationship. In providing services to other clients, a member of the Scotiabank Group may recommend actions that would compete with or otherwise adversely affect a Fund. Members of the Scotiabank Group may from time to time come into the possession of information that could preclude the Manager and/or Scotia Asset

Management L.P. from taking an action that would be in the best interests of a Fund. In addition, members of the Scotiabank Group have in the past sponsored or advised, and in the future may sponsor or advise, clients that may acquire interests in, provide financing to or otherwise deal with entities, the securities of which that may acquired, held or disposed of by a Fund. Such securities may be, or have been, underwritten, distributed or placed by a member of the Scotiabank Group., A member of the Scotiabank Group may, in certain circumstance, be selling an asset in circumstances in which a Fund is acquiring or retaining the same asset, acquire or dispose of an asset, or take or refrain from taking an action, that may adversely affect a Fund.

Furthermore, a Fund may from time to time acquire and hold investments underwritten, promoted, issued, sold or distributed by a member of the Scotiabank Group.

It is intended that all such transactions would be undertaken on economic terms consistent with market pricing.

It should also be recognized that the terms upon which the Manager and Scotia Asset Management L.P. were appointed have not been negotiated at arm's length.

The Articles generally do not restrict any actions taken by Scotiabank or its affiliates. Accordingly, no assurance can be given that potentially suitable investments of which Scotiabank may become aware will be offered to the Funds, nor is there any assurance that suitable investments will not be acquired by Scotiabank or other Scotiabank clients.

The foregoing is not an exhaustive list of potential conflicts associated with the other activities of the Scotiabank Group, and there is no assurance that actions of members of the Scotiabank Group, or their respective clients, will not adversely affect any one or more of the Funds.

DIRECTORS OF THE FUNDS

Details of the Directors of the Funds are set out in Appendix I, which forms part of the Prospectus.

The Directors of each Fund may appoint additional Directors from time to time and any Director may be removed by a resolution of the holder of the Management Shares of each Fund, which, in each case, is the Manager. There are no service contracts between any Fund and its respective Directors and

none of the Directors is entitled to receive any fee or remuneration from any Fund for serving as a Director. The Directors of a Fund provide for the management and administration of the Funds through delegation to the Manager, subject to the overall supervision of its Directors.

MANAGER

By agreements dated December 29, 1992, June 24, 1994 and November 1, 1999 (as amended), respectively, each Fund has appointed Scotiabank & Trust Company (Cayman) Ltd. as Manager to manage its affairs and investments subject to the overall supervision and control of its Board of Directors. The Manager has an unrestricted mutual fund administrator's license issued under the Mutual Funds Law (2009 Revision) of the Cayman Islands.

The Manager was incorporated under the laws of the Cayman Islands on August 27, 1965. Details of the Directors of the Manager are set out in Appendix I, which forms part of this Prospectus.

The Manager has responsibility for the general administration of each Fund, but has delegated the performance of most tasks, including, but not limited to, transfer agency to the Sub-Administrator, State Street Cayman Trust Company, Ltd., and custody to State Street Bank and Trust Company, Massachusetts. The Manager is at liberty to provide similar or other services to other funds and companies.

The Manager is entitled to receive a Management Fee computed by reference to the Net Asset Value of each Fund (see "Fees and Expenses"). A Management Agreement may be terminated on sixty days' written notice by either the Manager or the applicable Fund.

PORTFOLIO MANAGERS

By agreements dated June 24, 1994, April 8, 1996 and July 23, 2007 Scotia Asset Management L.P. (formerly Scotia Cassels Investment Counsel Limited) has been appointed Portfolio Manager to the Scotiabank US Dollar Bond Fund, Scotiabank Canadian Growth Fund and Scotiabank Money Market Fund. Scotia Asset Management L.P. is a professional investment and portfolio management firm based in Toronto, Canada, that manages portfolios on a discretionary basis for pension and mutual funds, charitable organizations, corporations, municipalities, hospitals, foundations and private clients based on a proven investment philosophy and process. Scotia Asset Management L.P. and its

predecessor companies have managed assets in Canada since 1877. Scotia Asset Management L.P. is now one of the largest investment managers in Canada, with more than Cdn\$29 billion of client funds under management at the date hereof.

Details of the Directors of the General Partner of Scotia Asset Management L.P. are set out in Appendix I, which forms part of this Prospectus.

By agreements dated March 1, 2010 Davis Selected Advisers, L.P. (also known as Davis Advisors) has been appointed Portfolio Manager to the Scotiabank Global Growth Fund and Scotiabank US Growth Fund. Davis Advisors is an independent, employee-owned money management firm that was founded in 1969 by Shelby M.C. Davis. The firm is organized as a limited partnership with main offices in New York and Tucson. As of September 30, 2009, Davis Advisors managed over US\$70 billion. The Davis family, Davis Advisors, employees and directors have almost US\$1.5 billion of their own money invested side by side with fellow shareholders in the various mutual funds the firm manages.

Details of the Directors of the General Partner of Davis Selected Advisers, L.P. are set out in Appendix I, which forms part of this Prospectus.

Subject to such terms and conditions as the Directors of each Fund may from time to time impose, the Portfolio Managers are responsible to each Fund for its day-to-day management, the investment management and advice include identifying, evaluating, and monitoring existing investments and potential investments and has power to enter into transactions on behalf of each Fund. The Portfolio Managers are at liberty to provide similar or other services to other funds, persons or companies. The Portfolio Managers will receive fees from the Management Fee payable by each Fund to the Manager. Each Portfolio Management Agreement may be terminated on sixty days' written notice by either the Portfolio Manager, the Manager or the Fund.

CUSTODIAN

By agreements dated July 23, 2007, State Street Bank and Trust Company, a trust company organized under the laws of The Commonwealth of Massachusetts, United States of America, was appointed Custodian to each of the Funds. The Custodian provides a full range of banking, global custody and financial services to a worldwide clientele and will hold the assets and uninvested

cash of each of the Funds, either directly or through sub-custodians, nominees or agents.

As one of the world's leading investment service providers, State Street Bank and Trust Company provides an array of customized investment solutions to asset managers, pension funds, hedge funds, insurance companies, collective funds, mutual funds and nonprofits. They offer fund accounting, fund administration, custody, securities lending, investment operations outsourcing, recordkeeping, performance and analytics and transfer agency services that are highly scalable and truly global. Recognized as an industry leader in providing global custody services, their custodian network spans more than 100 financial markets. With their expertise and local knowledge, they help their customers control costs, develop and launch competitive new investment products, and expand globally.

It is not expected that any sub-custodians will be appointed or that any of the assets of the Funds will be held by brokers. The Custodian may receive fees as detailed under "Fees & Expenses". Each of the Custodian Agreements may be terminated on ninety days' written notice by the Custodian or Fund.

SUB-ADMINISTRATOR

By agreements dated July 23, 2007, the Manager has appointed State Street Cayman Trust Company, Ltd., a trust company duly organized under the laws of the Cayman Islands as Sub-Administrator to perform substantially all of the administration tasks required of the Manager pursuant to the Management Agreements. The Sub-Administrator has an unrestricted mutual fund administrator's license issued under the Mutual Funds Law (2009 Revision) of the Cayman Islands.

The Sub-Administrator has responsibility for the general administration of each Fund, and, as such, will keep the books of account, calculate the Net Asset Value of Shares of each Fund, Sub Fund and Class, deal with communications and queries from Shareholders and process subscriptions, redemptions, transfers and exchanges in respect of each Fund. The Sub-Administrator is at liberty to provide similar or other services to other funds and companies.

The Sub-Administrator is entitled to a fee payable by the Manager. The Sub-Administration Agreement may be terminated on ninety days' written notice by either the Manager or the Sub-Administrator.

INDEMNIFICATION

The terms of appointment of the Manager, Portfolio Managers, Sub-Administrator and Custodian provide that such appointees shall be indemnified against all claims, liabilities, expenses and like matters, except in certain circumstances. The Directors and Officers of the Funds have the benefit of corresponding provisions in the Articles of Association of each of the Funds.

Fees & Expenses

FEES AND EXPENSES PAYABLE BY THE FUND

The Manager shall be paid a Management Fee out of the assets of the Funds to cover fees of the Fund's Portfolio Managers and any other person to whom such functions are delegated by the Manager, along with all investment related direct expenses. The Management Fee for Class A differs among Funds as outlined in the table below (shown as a percentage of average daily Net Asset Value (per annum)). All such fees accrue daily and are paid quarterly in arrears. Other Classes may be subject to different Management Fees.

	Management Fee
Scotiabank Money Market Fund	0.60%
Scotiabank US Dollar Bond Fund	1.20%
Scotiabank Global Growth Fund	2.00%
Scotiabank US Growth Fund	1.75%
Scotiabank Canadian Growth Fund	2.00%

There are no fees or remuneration paid by the Funds to their Directors.

The Sub-Administrator shall be paid a fee of up to 1.40% per annum of the Net Asset Value of the Funds calculated in accordance with the Sub-Administration Agreements, payable out of the assets of the Funds. The Sub-Administrator are also entitled to be reimbursed by the Funds for all out-of-pocket disbursements (excluding their normal overhead costs) wholly and exclusively incurred in performance of their duties for the Funds.

The Custodian shall be paid a fee of up to 0.60% per annum of the Net Asset Value of the Funds calculated in accordance with the Custodian Agreement, payable out of assets of the Funds. The Custodian is also

entitled to be reimbursed by the Funds for all its out-of-pocket disbursements (excluding its normal overhead costs) wholly and exclusively incurred in performance of its duties for the Funds.

A fee for auditing services will also be payable out of the assets of the Funds.

Other expenses incurred, paid or accrued by, or on behalf of, the Funds in their ordinary and usual course of business and other direct expenses of the Funds' operations will be charged to the Funds. The Manager may choose to absorb any of these expenses, at any time. Such expenses may include, but are not limited to, administrative costs (including but not limited to the cost of printing and distributing periodic reports and statements), interest on borrowed funds, auditing expenses, legal expenses, insurance, licensing, accounting, fees and disbursements of transfer agents, registrars, custodians, sub-custodians and escrow agents and the annual registration fee payable in the Cayman Islands. The Funds also shall pay all extraordinary expenses relating to the operation of the Fund including, without limitation, litigation or extraordinary regulatory expenses. No reimbursement shall be made to the Manager for any expenses incurred for providing or arranging for the provision of investment management services, such as communication, travel, office rent and research.

FEES AND EXPENSES PAYABLE DIRECTLY BY THE SHAREHOLDERS

1) Sales Charges

With the exception of the Scotiabank Money Market Fund for which no initial sales charge is payable, an initial sales charge of up to 5% of the total amount paid by Subscribers may be deducted by the Manager and paid as a commission to the authorized Distributor. Sales charges are negotiable between the Subscriber and the authorized Distributor. The net subscription amount, after deduction of the initial sales charge, if any, will be invested in the designated Fund.

The first time Shares are exchanged out of the Scotiabank Money Market Fund (ie. exchanging Scotiabank Money Market Shares purchased for cash), a sales charge of up to 5% of the total dollar amount of the exchange may be deducted and paid as a commission to the authorized Distributor. Sales charges are negotiable between the Shareholder and the authorized Distributor. The net amount, after deduction of the sales charge, if any, will be invested in the designated Fund.

2) Short Term Trading Fees

With the exception of Shares of the Scotiabank Money Market Fund, Shares that are redeemed or exchanged within 90 days of purchase may be subject to a redemption fee of up to 2% of the redemption amount, payable back to the Fund, at the discretion of the Manager.

Shareholders will be provided at least 30 days prior notice of any increase in the fees or additional expenses payable by any Fund, to the Manager, in the form of a modification, supplement or restatement of this Prospectus or by such other permissible means. A Fund need not obtain approval of its Shareholders to increase fees or expenses payable by the Fund to any other service provider to the Fund.

Financial Information about the Funds

FINANCIAL STATEMENTS

Each of the Funds will prepare annual financial statements in accordance with IFRS. The financial statements will be audited by the Funds' Auditors in accordance with International Standards on Auditing.

Copies of the most recent audited financial statements of the Funds are available from the Manager (see "Documents for Inspection").

QUARTERLY REPORTING

Each Shareholder will be sent a quarterly report showing the number and Net Asset Value of its Shares in each Fund, together with a brief report on the performance of each Fund.

ANNUAL REPORTING

The audited annual financial statements of each Fund will normally be available to the Shareholders within 90 days of the end of each financial year. The financial year-end of each Fund is December 31.

BORROWINGS, LOAN CAPITAL AND CONTINGENT LIABILITIES

As at the date hereof, none of the Funds had any outstanding loan capital or loans made to it, any other borrowings or indebtedness, or any outstanding contingent liabilities or guarantees.

NET ASSET VALUES

The Net Asset Value per Share of each Fund, Sub Class and Class (as applicable) are published on Bloomberg, may be published in local papers and are available on the Cayman Islands Stock Exchange website (www.csx.com.ky).

Taxation and Exchange Controls

CAYMAN ISLANDS

The Cayman Islands impose no taxes on income, or capital gains, nor are Shareholders subject to any taxes in the Cayman Islands on income, capital gains, inheritance, wealth or capital transfer or other taxes, as a result of holding such Shares as at the date hereof. Each Fund has obtained a written exemption from the Government of the Cayman Islands that, for a period of twenty years from the date of the exemption, no tax hereafter introduced on profits, income, gains or appreciation, or by way of estate duty or inheritance tax would apply to such Funds or their Shares.

Scotiabank Money Market Fund and Scotiabank US Dollar Bond Fund will endeavour not to invest in any security, which may give rise to withholding or other tax in the United States of America or Canada, or any other jurisdiction.

No stamp duty is levied by the Government of the Cayman Islands on the issue, transfer or redemption of Shares. No withholding taxes are payable in the Cayman Islands on dividends or other distributions or on redemptions of Shares.

There are no exchange controls and no other restrictions on the transfer of funds to and from the Cayman Islands as at the date hereof.

GENERAL

The above information is general information only given at the date hereof and does not constitute any form of tax advice or directions to any Shareholder of the Funds. Subscribers not resident in the Cayman Islands should consult their own professional advisors on the possible tax, regulatory or exchange control consequences in all relevant jurisdictions of acquiring, holding, redeeming or selling Shares.

Regulation of the Funds in the Cayman Islands

The Funds are regulated under the Mutual Funds Law (2009 Revision) of the Cayman Islands and qualify as regulated mutual funds by virtue of having a licensed mutual fund administrator (Scotiabank & Trust (Cayman) Ltd.) to provide the Funds' principal office in the Cayman Islands. Among other requirements, every regulated mutual fund must have an annual audit of its financial statements by an auditor approved by the Cayman Islands government; and a copy of the audited financial statements must be filed with the Cayman Islands Monetary Authority ("CIMA") within six months of the financial year-end. The Mutual Funds Law also gives CIMA various regulatory and remedial powers. There is no compensation scheme in the Cayman Islands for investors in mutual funds.

CIMA may at any time instruct a Fund to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. In addition CIMA may ask the Directors to give CIMA such information or such explanation in respect of a Fund as CIMA may reasonably require to enable it to carry out its duty under the Mutual Funds Law. The Directors must give CIMA access to or provide at any reasonable time all records relating to the Funds and CIMA may copy or take an extract of a record to which it is given access. Failure to comply with these requests by CIMA may result in substantial fines being imposed on the Directors and may result in CIMA applying to the court to have the Funds wound up.

CIMA may take certain actions if it is satisfied that a regulated mutual fund is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of CIMA include, inter alia, the power to require the substitution of the Directors, to appoint a person to advise the Funds on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Funds. There are other remedies available to CIMA, including the ability to apply to the court for approval of other actions.

Cayman Islands Anti-Money Laundering Regulations

In order to comply with regulations aimed at the prevention of money laundering, the Funds will require verification of identity from all Subscribers. The Funds reserve the right to request such information as is necessary to verify the identity of a Subscriber. In the event of delay or failure by the Subscriber to produce any information required for verification purposes, the Fund may refuse to accept the subscription for Shares and, if so, any funds received will be returned without interest to the account from which the monies were originally debited.

If any person who is resident in the Cayman Islands has a knowledge or suspicion or reasonable grounds for knowledge or suspicion obtained in the course of business that any other person is engaged in money laundering, that person is required to report such knowledge or suspicion pursuant to the Proceeds of Crime Law (as amended) of the Cayman Islands and such reports shall not be treated as a breach of any restriction upon the disclosure of information imposed by any enactment or otherwise.

General Information

CAPITALIZATION

The authorized share capital of Scotiabank Money Market Fund is divided into 1,000 Management Shares of par value US\$1.00 each, 100,000,000 Redeemable Preferred Shares of par value US\$0.01 each, classified as the "US Dollar Class" and 200,000,000 unclassified Redeemable Preferred Shares of par value US\$0.01 each.

The authorized share capital of Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund and Scotiabank US Growth Fund respectively is divided into 1,000 Management Shares of par value US\$1.00 each and 100,000,000 Redeemable Preferred Shares of par value US\$0.01 each.

The authorized share capital of Scotiabank Canadian Growth Fund is divided into 1,000 Management Shares of par value Cdn\$1.00 each and 100,000,000 Redeemable Preferred Shares of par value Cdn\$0.01 each.

The issued share capital, if any, of the Funds at the most recent financial year-end is disclosed in their

respective financial statements (see “Documents for Inspection”).

The Funds may offer Shares in different Classes and Sub Funds as described in “Sub Funds and Classes” above.

MANAGEMENT SHARES

The Management Shares of each Fund carry full voting rights but no rights to participate in the profits or assets of the Fund (other than the return of their par value in the event of liquidation) and have been issued to the Manager.

REDEEMABLE PREFERRED SHARES

The Redeemable Preferred Shares (the “Shares”) confer no voting rights and no entitlement to receive notice of, or attend at, general meetings of the Funds. The Shares carry the right to participate in dividends and all other distributions of the Funds (subject only to the return of the par value of the Management Shares in the event of liquidation).

The Articles of Association of each Fund prohibit any alteration (including the rights attached to the Shares) which would be materially prejudicial to the Shareholders until after not less than 30 days written notice has been given to such Shareholders, specifying the intended alteration or amendment and drawing the attention of Shareholders to their right to request the redemption of their Shares.

PLACE OF BUSINESS

The principal place of business of the Funds is at the offices of the Manager in George Town, Grand Cayman and no place of business has been established in any other country.

LITIGATION

No litigation or claims against any of the Funds or initiated by any of the Funds are known to the Directors or Manager as at the date hereof.

LIQUIDATION OF THE FUNDS

The Manager, as the holder of the issued Management Shares of the Funds, has the power to place any of the Funds into liquidation. However, the Management Shareholders of a Fund will not pass resolutions placing the Fund into voluntary liquidation before at least 90 days’ written notice of such liquidation is given to the Fund’s Shareholders. Upon liquidation, the net assets of a Fund (after

paying off all liabilities) would be distributed by the liquidator to the Shareholders, subject only to the return of the par value of the Management Shares.

Material Contracts

The following contracts which are or may be material have been entered into by each of the Funds with entities within the Scotiabank Group otherwise than as a result of arm’s length negotiations:

- (a) Management Agreements, under which the Manager provides administrative, secretarial and registration services, and is entitled to receive the payments detailed under “Fees and Expenses”. The Management Agreements may be terminated by either party giving to the other not less than sixty days’ written notice;
- (b) Portfolio Management Agreements with Scotia Asset Management L.P., under which investment advice is provided by Scotia Asset Management L.P. to Scotiabank Money Market Fund, Scotiabank US Dollar Bond Fund and Scotiabank Canadian Growth Fund. Under the terms of the Portfolio Management Agreements, Scotia Asset Management L.P. is entitled to receive payments detailed under “Fees and Expenses”. The Portfolio Management Agreements may be terminated by either party giving to the other not less than sixty days’ written notice; and
- (c) Distributorship Agreements, under which authorized Distributors are responsible for the promotion, marketing and sale of Shares of the Funds.

The following contracts which are or may be material have been entered into by each of the Funds with entities outside the Scotiabank Group:

- (a) Portfolio Management Agreements with Davis Selected Advisers, L.P., under which investment advice is provided by Davis Selected Advisers, L.P. to Scotiabank Global Growth Fund and Scotiabank US Growth Fund. Under the terms of the Portfolio Management Agreements, Davis Selected Advisers, L.P. is entitled to receive payments detailed under “Fees and Expenses”. The Portfolio Management Agreements may be terminated by either party giving to the other not less than sixty days’ written notice;

- (b) Custodian Agreements, under which the Custodian has custody of the securities and cash accounts of the Funds either directly or through sub-custodians, agents or nominees. Under the terms of the Custodian Agreements, the Custodian may be entitled to receive payments detailed under "Fees and Expenses". The Custodian Agreements may be terminated by either party giving to the other not less than ninety days' written notice;
- (c) Listing Agreement, under which the Listing Agent acts for the Funds in connection with the listing of their Shares on the Cayman Islands Stock Exchange. The Agreement may be terminated by either party giving to the other notice.

Documents for Inspection

Copies of the following documents are available from the Manager or may be inspected during usual business hours at the offices of the Manager in the Cayman Islands:

- (a) the Memorandum of Association and Articles of Association of the Funds;
- (b) the agreements appointing the Manager and Distributor, Portfolio Managers, Custodian and Listing Agent in respect of each Fund;
- (c) the most recent Prospectus; and
- (d) the most recent audited financial statements of each Fund.

Appendix I – Directors

THE FUNDS

The Directors of the Funds are as follows:

<i>Name and Country of Residence</i>	<i>Position held in Scotiabank Group</i>
Daniel Wright; Canada	Senior Vice President, International Wealth Management Bank of Nova Scotia
Farried Sulliman; Cayman Islands	Managing Director, Scotiabank & Trust (Cayman) Ltd.
Marcel Schroder; Canada	Vice-President, Investment Products Group, International Wealth Management, Bank of Nova Scotia
Bruce John; Cayman Islands	Center Director - Wealth Management, Scotiabank & Trust (Cayman) Ltd.

THE MANAGER

The Directors of the Manager are as follows:

<i>Name and Country of Residence</i>	<i>Position held in Scotiabank Group</i>
Daniel Wright; Canada	Senior Vice President, International Wealth Management, Bank of Nova Scotia
Farried Sulliman; Cayman Islands	Managing Director, Scotiabank & Trust (Cayman) Ltd.
Bruce John; Cayman Islands	Center Director - Wealth Management, Scotiabank & Trust (Cayman) Ltd.
C. A. Barnes, United Kingdom	Retired Managing Director, Bank of Nova Scotia Trust Company (Bahamas) Ltd.

THE PORTFOLIO MANAGERS

The General Partner of Scotia Asset Management L.P. is Scotia Asset Management G.P. Inc., and the Board of Directors of Scotia Asset Management G.P. Inc. are as follows:

<i>Name and Country of Residence</i>	<i>Position held in Scotiabank Group</i>
Barbara F. Mason; Canada	Executive Vice President, Wealth Management, Canada, Bank of Nova Scotia
Edna A. Chu; Canada	Vice President, Compliance and Director, Scotia Asset Management G.P. Inc.
P.D. Michael Henry; Canada	Senior Vice President, Sales & Service, Personal & Commercial Banking, Bank of Nova Scotia
Hamish B. Angus; Canada	Managing Director and Head of ScotiaMcLeod Full Service Brokerage, Scotia Capital Inc.
Tony Cestra; Canada	Managing Director and Head of Equity Investments and Pension Assets, Bank of Nova Scotia
Glen B. Gowland; Canada	Chief Executive Officer and Director, Scotia Asset Management G.P. Inc.
Walter A. Pavan; Canada	Chief Financial Officer and Director, Scotia Asset Management G.P. Inc.
Catherine A. Welling; Canada	Managing Director and Head of Scotia Private Client Group, Bank of Nova Scotia
Brian McChesney; Canada	Managing Director, Scotia Capital Inc.
Helena Lau; Canada	Senior Assistant Manager Subsidiaries and Assistant Secretary, Bank of Nova Scotia

The General Partner of Davis Selected Advisers, L.P. is Davis Investments, L.L.C., and Christopher Davis is the sole managing member of Davis Investments, L.L.C.

<i>Name and Country of Residence</i>	<i>Position held in Davis Advisors</i>
Christopher C. Davis; United States	Portfolio Manager and Chairman, Davis Advisors



See your Scotiabank Mutual Funds Investment Advisor today.