

Scotia Vision Conservative 2015 Portfolio

2015 Target Date Portfolio

Investment Objective

The fund's objective is to follow an asset allocation strategy that emphasizes a balanced total return. The fund will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2015) approaches. The fund invests primarily in a diversified mix of mutual funds managed by the fund's manager and other mutual fund managers.

Reasons for Investing

- A managed solution based on innovative asset allocation strategies that automatically become more conservative over the life of the investment.
- A single investment that offers the convenience of one fund, one price and one performance record to follow.
- Includes leading ScotiaFunds managed by an experienced team of investment professionals.

Risk Rating



Time Horizon — Medium-Long

FUND ESSENTIALS

Inception Date June 20, 2005
 Total Assets \$mil 44.29
 Min. Initial Inv. (\$) 2,500
 Min. Additional Inv. (\$) 50
 Income Distribution Annually
 Capital Distribution Annually
 MER % (as of 12/31/2012) 2.02
 NAV \$ 10.77
 10% DEX 91 Day T-Bill Index, 48%
 DEX Universe Bond Index, 26% S&P/
 TSX Composite Index, 16% MSCI
 Benchmark World Index

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | BNS322 |

Portfolio Manager(s)

Judith Chan Scotia Asset Management L.P.

Management Scotia Asset Management
 Telephone 1 800 268-9269
 Website www.scotiafunds.com

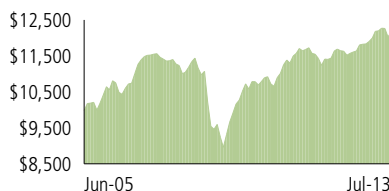
PERFORMANCE & PORTFOLIO ANALYSIS

| Compound returns (%) | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 2 Yr | 3 Yr | 5 Yr | 10 Yr |
|----------------------|-------|-------|-------|------|------|------|------|-------|
| Fund | 1.08 | -0.90 | 1.34 | 4.75 | 2.62 | 3.73 | 2.07 | -- |

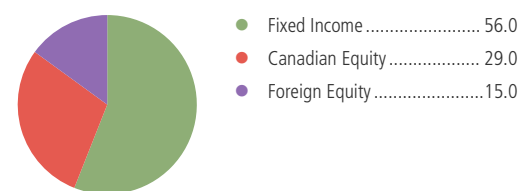
| Calendar Year Returns (%) | YTD | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---------------------------|------|------|-------|------|-------|--------|-------|------|------|------|------|
| Fund | 2.17 | 4.06 | -0.50 | 6.60 | 12.37 | -14.58 | -1.39 | 9.45 | -- | -- | -- |

| Distributions (\$/unit) | YTD | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|-------------------------|-----|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | -- | 0.05 | 0.05 | 0.07 | 0.11 | 0.15 | 0.46 | 0.24 | 0.12 | -- | -- |
| Interest | -- | 0.05 | -- | -- | 0.03 | 0.04 | 0.06 | 0.01 | -- | -- | -- |
| Dividends | -- | -- | 0.05 | 0.07 | 0.08 | 0.11 | 0.07 | 0.08 | 0.04 | -- | -- |
| Capital Gains | -- | -- | -- | -- | -- | -- | 0.33 | 0.15 | 0.08 | -- | -- |

Growth of \$10,000



Target Composition (%)



Portfolio Holdings

| | % Assets |
|--|--------------|
| Fixed Income | 56.00 |
| Scotia Canadian Income Fund | 20.00 |
| Scotia Canadian Bond Index Fund | 19.00 |
| Scotia Global Bond Fund | 9.00 |
| Scotia Money Market Fund | 8.00 |
| Canadian Equity | 29.00 |
| Scotia Canadian Dividend Fund | 12.00 |
| Scotia Canadian Index Fund | 9.00 |
| Scotia Canadian Small Cap Fund | 3.00 |
| Scotia Canadian Blue Chip Fund | 3.00 |
| Scotia Canadian Growth Fund | 2.00 |
| Foreign Equity | 15.00 |
| Scotia International Index Fund | 6.00 |
| Scotia International Value Fund | 3.00 |
| Scotia US Index Fund | 3.00 |
| Scotia U.S. Value Fund | 1.00 |
| Scotia Global Opportunities Fund | 1.00 |
| Scotia Global Small Cap Fund | 1.00 |

Target Allocations (%)

| | |
|------------------------|------|
| Canadian Equity | |
| Core Equity | 14.0 |
| Income-Focused Equity | 12.0 |
| Small Cap Equity | 3.0 |
| Fixed Income | |
| Core Fixed Income | 47.0 |
| Foreign Fixed Income | 9.0 |
| Foreign Equity | |
| Core Equity | 14.0 |
| Small Cap Equity | 1.0 |

Total Portfolio Holdings

| | |
|------------------------------|----|
| Equity Funds | 11 |
| Fixed Income Funds | 4 |
| Other Funds | 0 |
| Total Number of Mutual Funds | 15 |

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MANAGER BIO



Judith Chan
Manager Since October 1, 2012
Scotia Asset Management L.P.

Judith Chan is Director, Portfolio Solutions - Canadian Banking at Scotia Asset Management (SAM). With more than 10 years in the investment industry, she currently manages all Scotia Portfolios which encompasses asset allocation, fund selection, fund due diligence, and the day-to-day management of all portfolios. In her previous role as Senior Manager, Investment Oversight, Judith was responsible for the oversight of all investment products offered through SAM, which involved performance monitoring, portfolio advisor due diligence and competitive fund positioning.

Judith has a Bachelor of Economics from Simon Fraser University in Vancouver British Columbia, and has been a CFA Charterholder since 2006.

QUARTERLY COMMENTARY

As of June 30, 2013

Scotia Vision Conservative 2015 Portfolio returned -1.37% for the quarter, versus the blended benchmark, consisting of 48% DEX Universe Bond, 26% S&P/TSX Composite, 16% MSCI World and 10% DEX 91 Day T-Bill indices, which returned -1.45%.

After a strong start, the rally in global equities came under pressure by the end of the second quarter. Despite promising employment, housing and manufacturing data in the U.S., investors were once again preoccupied by the direction of the U.S. Federal Reserve's (Fed's) latest round of quantitative easing (QE). The European Commission extended the deadline on austerity measures for France, Spain and other growth-plagued nations, as manufacturing and service sector output remained in a period of contraction during the period. In Japan, stocks began to descend from a mid-May peak, as investors questioned the effectiveness of Prime Minister Shinzo Abe's aggressive easing program. Meanwhile, China's central bank governor pledged to adjust the money supply appropriately and maintain overall stability in the world's second-largest economy after the lack of liquidity in the market became a national concern.

The divergence between major equity markets results was highlighted in the second quarter, as a slowdown in demand for commodities continued to negatively impact resource-rich economies and markets. The S&P 500 Index maintained its relative strength, returning 6.86% last quarter in Canadian dollar terms. The significant allocation to the materials sector dragged on the S&P/TSX Composite Index's performance, which fell 4.08%. The DEX Universe Bond Index also turned in a loss over the period, returning -2.36%, as an unexpected sell-off in June caused Canadian bond prices to fall sharply. Global equities' dependence on monetary stimulus was evidenced by the MSCI World Index, which had a total return of 5.93% by mid-May, but then began to lose steam following the Fed's QE statement, resulting in a relatively weaker return of 4.51% by quarter end.

The near maximum allocation to U.S. equities proved beneficial for Scotia Canadian Dividend Fund, which contributed to the Portfolio's relative performance, while Scotia Canadian Income Fund's emphasis on 10-year bonds and defensive positioning in corporate issues detracted from relative performance.

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IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are managed by Scotia Asset Management L.P.. GCIC Ltd. is the portfolio sub-advisor of the fund. Scotia Asset Management L.P. and GCIC Ltd. are each, directly or indirectly, owned by The Bank of Nova Scotia. ScotiaFunds are available through Scotia Securities Inc., and from other dealers and advisors including ScotiaMcLeod and Scotia iTRADE which are divisions of Scotia Capital Inc. Scotia Securities Inc. and Scotia Capital Inc. are corporate entities separate from, although wholly owned by, The Bank of Nova Scotia.

Fund prices are provided for information purposes only. All information pertains to Series A units of the fund unless stated otherwise.

Units of the fund are only available for sale to residents of Canada, unless the laws of a foreign jurisdiction permit sales to its residents. Please contact your financial advisor for more details. The contents of this document should not be considered an offer to sell to, or a solicitation to buy mutual fund units from, any person in a jurisdiction where such offer or solicitation is considered unlawful.

Important information about the fund is contained in the Simplified Prospectus, which should be read carefully before investing. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. The performance data provided assumes reinvestment of distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. There can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment will be returned to you. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Scotia Asset Management L.P., as Manager of the ScotiaFunds, may compensate its staff and any appointed sub-distributor by regular payments based on the net asset value (NAV) of units held by investors. For further details, please refer to the Simplified Prospectus.