Scotiabank Moderate Growth Portfolio

May 2012

Investment Objectives

Moderate Growth: Primary objective is to achieve a high level of growth with some income potential. The total value of this portfolio will fluctuate considerably from time to time.

Portfolio Facts:

Inception Date	January 22, 2008
Minimum Investment	$5,000
Subsequent Minimum	$100
Investment Rebalancing	20th day of each quarter end, if required

	Class A	Class N (Broker)
Portfolio Code	SBPMGA	SBPMGN
Management Fee^^	1.55	1.98

Sales Charges:

A front-end load may apply

Portfolio Holdings:

Cash	
Scotiabank Money Market Fund	10
Income	
Scotiabank US Dollar Bond Fund	35
Growth	
Scotiabank Global Growth Fund	27.5
Scotiabank US Growth Fund	11
Scotiabank Canadian Growth Fund	16.5
Total	**100**

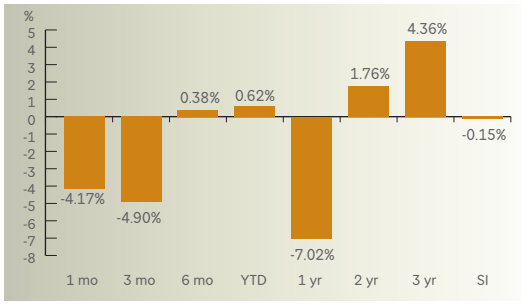
Market Commentary (as at March 31, 2012)

Scotiabank Moderate Growth Portfolio had a 5.40% return over the past 3 months and -1.38% over the past 12 months.

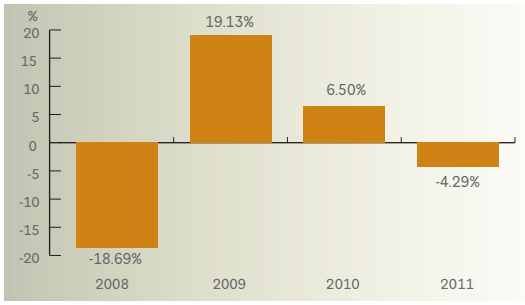
The portfolio's quarterly performance was driven by a 3 month return of 0.01% for Scotiabank Money Market Fund, -0.92% for Scotiabank US Dollar Bond Fund, 12.18% for Scotiabank Global Growth Fund, 12.01% for Scotiabank US Growth Fund and 6.09% for Scotiabank Canadian Growth Fund.

Equity markets generally outperformed bonds markets in the first quarter of 2012. The S&P 500 posted the highest first quarter return in 14 years. This was driven by increased corporate earnings, manufacturing activity, employment, consumer spending and continued low interest rates. The yield on 10 year US Treasury Bonds was 2.22% at March 31, to remain at low levels. Equities in China and many other emerging markets also posted positive returns in the first quarter. Greece successfully enacted austerity measures to satisfy bond investors and to secure additional credit facilities. The European Central Bank increased the stability of the European banking system with the introduction of the Long Term Refinancing Option. Canadian equities remain attractively valued and have the potential to move higher in future months.

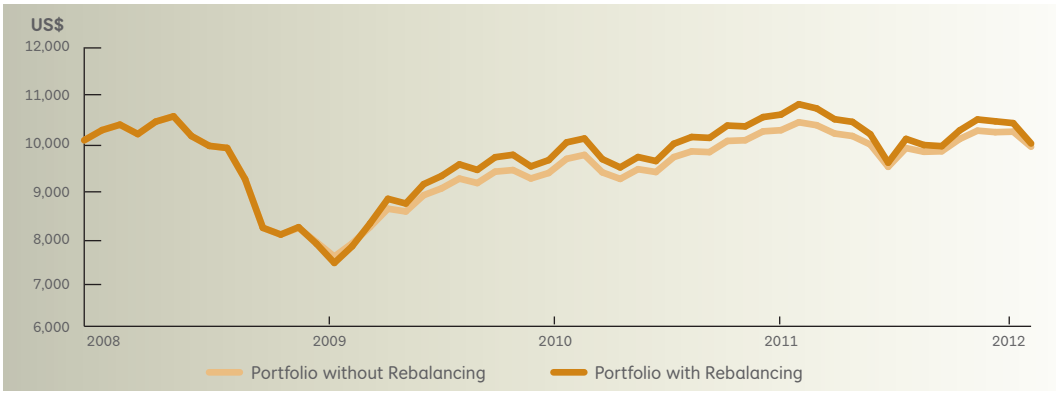
Annual Compound % Return †



Calendar Year Return †



Growth of US$10,000 from January 22, 2008 to May 31, 2012 †



Top 10 Holdings^	Maturity Date	% of Portfolio
US Treasury	31/01/2014	10.6
US Treasury	15/05/2041	7.5
Province of British Columbia	15/01/2026	2.2
Province of Ontario	21/09/2016	2.2
Google		2.0
Walt Disney		1.4
Kuehne + Nagel Intl Ag		1.3
CIE Financiere Richemon		1.2
Wells Fargo		1.2
Province of Manitoba	22/04/2013	1.2
Total of Top 10 Holdings		**30.9**
Total Number of Holdings		**263**

Asset Allocation:	% of Portfolio
US Equity	24.5
US Fixed Income	24.2
Canadian Equity	19.8
Canadian Fixed Income	12.2
European Equity	9.4
Asian Equity	6.0
Other Equity	3.8
Other Fixed Income	0.0
Total	**100**

Asset Allocation:	% of Portfolio
Developed Markets	96.7
Emerging Markets	3.3
Total	**100.0**

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*Important information concerning the investment goals, risk, charges and expenses of these funds are contained in the prospectus. Investors should carefully consider these before investing. Copies are available from the financial institution where you are buying the mutual fund. Performance is subject to variations and is likely to change over time. Past performance should not be treated as an indicator of future performance. This is for informational purposes only and is subject to change without notice. Always consult your professional tax and legal advisors with respect to your particular circumstances. Commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. The performance data provided assumes reinvestment of distributions, and does not take into account sale charges or fees, redemptions, distributions or taxes, that would have reduced returns. The annual fee for the Asset Management Service has been included in the performance returns. Mutual Funds are not guaranteed or covered by your local Deposit Insurance Corporation, other government deposit insurer, The Bank of Nova Scotia, or its subsidiaries/affiliates. Nothing herein is intended to constitute an offer or solicitation to transact business for products or services in any jurisdiction where such an offer or solicitation would be unlawful. Products and services described herein are only available in jurisdictions where they can be lawfully provided. Scotiabank Mutual Funds is the brand name under which the Scotiabank group of companies, including Scotiabank & Trust (Cayman) Ltd., Scotia Investments (Jamaica) Limited, and International Investment Advisory Group markets and distributes mutual funds. *Trademark of The Bank of Nova Scotia, used under license. Net Asset Value information of the Scotiabank Mutual Funds can be found on Bloomberg, in the equities section, and on the Cayman Islands Stock Exchange (CSX), website www.csx.ky under "Scotiabank". Information also available directly from: Scotiabank & Trust (Cayman) Ltd., 6 Cardinal Ave, P.O. Box 689, Grand Cayman KY1-1107, Tel: (345) 949-7666. † Net Asset Value and Annualized returns performance data are all net of all Fund expenses from Class A. Net Asset Value, Fund Assets and Annualized % return data is as at May 31, 2012. ^^The management fee is based on an assumed asset mix of 10% Scotiabank Money Market Fund, 35% Scotiabank US Dollar Bond Fund, 27.5% Scotiabank Global Growth Fund, 11.0% Scotiabank US Growth Fund, and 16.5% Scotiabank Canadian Growth Fund. ^Portfolio holdings data is as at April 30, 2012. ‡Inception date provided is January 22, 2008.*

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