

Investing for the long term

Scotia Mutual Funds Annual Report to Unitholders

December 31, 2006



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Global economic overview



Warren Jestin

Senior Vice-President
and Chief Economist
Scotiabank

International growth is moderating and will probably fall below 2½% in Canada and the U.S. this year and slip to 2% or less in Europe and Japan. This relatively lacklustre performance contrasts with much more upbeat prospects for many emerging nations in Asia and Latin America. While activity may be a bit less frenetic, China should stay on a 9%-plus growth track, with India not far behind. Mexico will lead its NAFTA partners by a substantial margin.

Slower global growth, reduced price pressures in commodity and real estate markets, and intense competition in manufacturing and exportable services will dampen inflation, even with persistent labour shortages in some regions and industries. In this environment, both the Bank of Canada and the U.S. Federal Reserve will likely start nudging interest rates lower by next summer. Currency market prospects are a big wild card but, on balance, we anticipate renewed weakness in the U.S. dollar and a rebound in the Canadian currency by year-end.

United States

After three years of healthy economic performance, U.S. GDP growth should moderate, as continuing weakness in housing and manufacturing spills over to other sectors. Despite historically low mortgage rates, an easing in energy prices and rising wage gains, housing affordability remains stretched for many households following almost a decade of steadily appreciating home prices. In this environment, business investment will be one of the main areas of strength in the economy.

With growth moderating and inflation relatively subdued, the U.S. Federal Reserve will likely begin cutting interest rates, though reductions will be relatively modest unless the setback in the housing market deepens. The underlying

trend for the U.S. dollar is expected to be down, even if Washington's fiscal shortfall improves, because the trade deficit – the greenback's Achilles Heel – will probably stay stuck above US\$800 billion. Inducing global investors and foreign central banks to finance this massive shortfall will become increasingly difficult because many holders of overweight U.S. dollar positions have indicated that they want greater portfolio diversification.

Canada

The Canadian economy appears to have lost momentum in the closing months of 2006. Domestic demand and resource-related activity are quite buoyant, but the competitive pressure facing the nation's export-oriented manufacturing industries has not abated. Lower energy prices also have reduced export earnings.

The Bank of Canada is expected to respond by cautiously cutting interest rates in the months ahead, then will probably move to the sidelines in the absence of a sustained rebound in growth above 3% or a sudden ramping-up of inflation expectations. Overall, central bank policy appears to be in a period characterized by occasional fine-tuning rather than a sustained shift in either direction.

After briefly soaring above 90 cents(US), the Canadian dollar has recently underperformed many other currencies. The retreat of commodity prices from historic highs, delays in longer-term resource mega-projects, concerns about natural gas export availability and weaker manufacturing exports have clouded expectations about sustaining Canada's current account surplus, helping to pull the currency back to 85 cents(US). On balance, however, relatively sound domestic fundamentals and weak U.S. dollar underpinnings suggest that our currency will rebound later this year.

“Resource-related earnings should ensure that Canada keeps its bragging rights as the only major industrial nation with trade and fiscal surpluses.”

Warren Jestin

Senior Vice-President and Chief Economist, Scotiabank



Our country is well positioned to attract global investors looking for opportunities in the resource sector or for low-risk ways to diversify U.S. dollar positions. If investment inflows accelerate, our currency could once again take flight.

Mexico and Latin America

Mexico's new President has taken office at a time of buoyant economic growth, exchange rate stability and relatively low inflation. Financial sector activity has been vibrant, supported by solid gains in consumer activity and capital spending. Growth is expected to moderate as the U.S. economy decelerates, though Mexican output should expand by about 3¼% in 2007.

The Latin American region as a whole is expected to experience a more moderate but sustainable economic expansion through 2007. Performance differentials between the more stable economies – Chile, Mexico, Peru and Colombia – and the post-crisis fast-growing countries – Argentina and Venezuela – will tend to narrow.

Europe

Western Europe is on a moderate and sustainable growth trajectory. Nevertheless, the combination of rising interest rates, an appreciating euro, slowing growth in overseas markets and fiscal deficit reduction will have a dampening impact on the rate of expansion. Employment is increasing, but household spending will be limited by higher taxes and by ongoing restraint in wage settlements.

Economic growth in the U.K. is expected to decelerate to around 2% in 2007. Consumer spending will be limited by slowly rising joblessness and monetary policy tightening. Uncertainties regarding a change in political leadership and relatively subdued economic growth have weighed against significant budget deficit reduction.

Asia

China will continue to post a 9%-plus growth rate in 2007 and probably

beyond, supported by gains in global market share, buoyant activity in Asia and stronger domestic demand. In contrast, growth in Japan will likely be less than 2%, with impetus coming from business investment and regional trade at a time when the government is focused on spending restraint. The Bank of Japan has indicated that it remains committed to a gradual shift to a less accommodative monetary policy.

Both the Japanese yen and the Chinese renminbi are likely to appreciate against the U.S. dollar in 2007. Other central banks within the region will likely take their lead from these moves, resulting in a general rise in major Asian currencies. As a result, the competitive balance among the region's economies is unlikely to undergo a major shift. Trade within the region should continue to grow at a robust pace, increasing regional economic linkages.

Scotia T-Bill Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)
TREASURY BILLS – 99.4%		
28,855,000	Government of Canada 4.17% due Feb. 8, 2007	28,535,575
51,150,000	Government of Canada 4.16% due Feb. 22, 2007	50,744,891
30,545,000	Government of Canada 4.15% due Mar. 8, 2007	29,956,702
34,080,000	Government of Canada 4.16% due Mar. 22, 2007	33,756,922
13,900,000	Government of Canada 4.15% due Apr. 5, 2007	13,715,964
19,975,000	Government of Canada 4.19% due May 3, 2007	19,597,073
16,500,000	Government of Canada 4.32% due May 17, 2007	15,843,630
	TOTAL INVESTMENT PORTFOLIO	192,150,757
	ACCRUED INTEREST – 0.6%	1,243,015
	OTHER ASSETS, LESS LIABILITIES – 0.0%	(102,182)
	TOTAL NET ASSETS – 100.0%	193,291,590

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$192,150,757	\$241,536,714
Cash	97,527	101,888
Accrued investment income	1,243,015	1,294,375
	<u>193,491,299</u>	<u>242,932,977</u>
LIABILITIES		
Distributions payable	8,016	6,814
Accrued expenses	191,693	250,648
	<u>199,709</u>	<u>257,462</u>
Net assets	<u>\$193,291,590</u>	<u>\$242,675,515</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$193,291,590</u>	<u>\$242,675,515</u>
UNITS OUTSTANDING		
Class A Units	<u>19,329,159</u>	<u>24,267,551</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 10.00</u>	<u>\$ 10.00</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$8,156,313	\$6,807,285
Securities lending	34,318	22,448
	<u>8,190,631</u>	<u>6,829,733</u>
EXPENSES		
Management fees (note 4)	2,114,983	2,614,464
Audit fees	16,005	12,325
Directors'/trustee fees	2,755	2,642
Custodian fees	14,980	18,082
Filing fees	20,905	25,163
Legal fees	12,157	1,109
Unitholder reporting	111,286	136,834
Unitholder administration, service fees and GST	638,223	700,883
	<u>2,931,294</u>	<u>3,511,502</u>
Absorbed expenses	(543,095)	(547,563)
	<u>2,388,199</u>	<u>2,963,939</u>
Net investment income (loss)	5,802,432	3,865,794
Increase (decrease) in net assets from operations	<u>\$5,802,432</u>	<u>\$3,865,794</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$5,802,432</u>	<u>\$3,865,794</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 0.27</u>	<u>\$ 0.15</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 242,675,515	\$ 283,762,096
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	5,802,432	3,865,794
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(5,802,432)	(3,865,794)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	88,735,775	139,583,374
Reinvested distributions		
Class A Units	5,712,446	3,804,646
Payments on redemption		
Class A Units	(143,832,146)	(184,474,601)
	<u>(49,383,925)</u>	<u>(41,086,581)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>(49,383,925)</u>	<u>(41,086,581)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$ 193,291,590</u>	<u>\$ 242,675,515</u>

Scotia Premium T-Bill Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)
TREASURY BILLS – 99.4%		
580,000	Government of Canada 4.13% due Jan. 11, 2007	578,428
7,700,000	Government of Canada 4.08% due Jan. 25, 2007	7,675,129
164,485,000	Government of Canada 4.17% due Feb. 8, 2007	162,691,045
319,630,000	Government of Canada 4.16% due Feb. 22, 2007	317,102,446
160,525,000	Government of Canada 4.15% due Mar. 8, 2007	157,409,396
176,715,000	Government of Canada 4.16% due Mar. 22, 2007	175,039,742
76,000,000	Government of Canada 4.15% due Apr. 5, 2007	74,993,760
119,360,000	Government of Canada 4.19% due May 3, 2007	117,101,709
95,000,000	Government of Canada 4.32% due May 17, 2007	91,220,900
	TOTAL INVESTMENT PORTFOLIO	1,103,812,555
	ACCRUED INTEREST – 0.6%	6,634,639
	OTHER ASSETS, LESS LIABILITIES – 0.0%	(6,469)
	TOTAL NET ASSETS – 100.0%	1,110,440,725

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$1,103,812,555	\$1,429,989,076
Cash	92,600	93,882
Accrued investment income	7,013,504	7,485,556
	<u>1,110,918,659</u>	<u>1,437,568,514</u>
LIABILITIES		
Distributions payable	129,639	151,395
Accrued expenses	348,295	478,541
	<u>477,934</u>	<u>629,936</u>
Net assets	\$1,110,440,725	\$1,436,938,578
NET ASSETS PER CLASS		
Class A Units	\$1,110,440,725	\$1,436,938,578
UNITS OUTSTANDING		
Class A Units	111,044,073	143,693,858
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.00	\$ 10.00

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$44,935,175	\$39,465,569
Securities lending	227,068	153,637
	<u>45,162,243</u>	<u>39,619,206</u>
EXPENSES		
Management fees (note 4)	5,836,841	7,583,952
Audit fees	21,883	17,565
Directors'/trustee fees	2,755	2,642
Custodian fees	71,976	95,229
Filing fees	36,229	53,533
Legal fees	2,728	1,109
Unitholder reporting	23,243	19,786
Unitholder administration, service fees and GST	499,819	652,778
	<u>6,495,474</u>	<u>8,426,594</u>
Rebated and absorbed expenses	(2,253,860)	(3,235,397)
	<u>4,241,614</u>	<u>5,191,197</u>
Net investment income (loss)	40,920,629	34,428,009
Increase (decrease) in net assets from operations	\$40,920,629	\$34,428,009
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$40,920,629	\$34,428,009
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.35	\$ 0.23

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 1,436,938,578	\$ 1,586,278,660
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	40,920,629	34,428,009
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(40,920,629)	(34,428,009)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,064,475,993	1,544,173,332
Reinvested distributions		
Class A Units	39,463,544	33,162,273
Payments on redemption		
Class A Units	(1,430,437,390)	(1,726,675,687)
	<u>(326,497,853)</u>	<u>(149,340,082)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(326,497,853)	(149,340,082)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	\$ 1,110,440,725	\$ 1,436,938,578

Scotia Money Market Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer		Average Cost (\$)	Face Value (\$)	Issuer		Average Cost (\$)
SHORT-TERM NOTES – 39.3%				SHORT-TERM BONDS (cont'd)			
Treasury Bills – 0.9%				5,000,000 Canadian Imperial Bank of Commerce (Floating Rate) 4.35% due Feb. 27, 2007 5,000,000			
14,000,000	Government of Canada	4.08% due Jan. 25, 2007	13,954,780	10,000,000	Canadian Imperial Bank of Commerce (Floating Rate)	4.37% due Apr. 2, 2007	10,000,000
Bankers' Acceptances – 7.3%				41,000,000 Canadian Imperial Bank of Commerce (Floating Rate) 4.35% due Jul. 13, 2007 41,000,000			
10,458,000	ABN Amro Holding NV Canada Branch	4.29% due Mar. 12, 2007	10,358,126	15,000,000	Canadian Imperial Bank of Commerce (Floating Rate)	4.35% due Nov. 9, 2007	15,000,000
1,500,000	Bank of Montreal	4.28% due Jun. 25, 2007	1,469,325	40,646,000	Cards II Trust	4.45% due Oct. 15, 2007	40,674,751
2,670,000	Royal Bank of Canada	4.27% due Jun. 18, 2007	2,615,238	32,177,000	Caterpillar Financial Services Ltd.	5.76% due Jun. 1, 2007	32,357,687
19,300,000	Royal Bank of Canada	4.27% due Jun. 25, 2007	18,904,157	11,600,000	Citigroup Finance Canada Inc. (Floating Rate)	4.38% due Mar. 12, 2007	11,600,169
43,020,000	Royal Bank of Canada	4.27% due Jun. 28, 2007	42,123,033	22,000,000	Citigroup Finance Canada Inc.	4.59% due Jul. 3, 2007	22,027,443
22,700,000	Toronto-Dominion Bank	4.29% due May 25, 2007	22,314,554	27,000,000	Citigroup Finance Canada Inc.	5.03% due Sep. 17, 2007	27,128,791
21,300,000	Toronto-Dominion Bank	4.27% due Jun. 25, 2007	20,863,137	18,622,000	Citigroup Inc. (Floating Rate)	4.38% due Mar. 2, 2007	18,622,575
			<u>118,647,570</u>	13,000,000	Deutsche Bank (Floating Rate)	4.41% due Feb. 16, 2007	13,000,759
Bearers' Deposit Notes – 10.5%				4,900,000 Deutsche Bank 4.44% due Aug. 9, 2007 4,902,580			
10,000,000	HSBC Bank of Canada	4.30% due Feb. 27, 2007	9,681,800	40,000,000	General Electric Capital Canada Funding Company (Floating Rate)	4.43% due Feb. 11, 2008	40,000,000
29,510,000	JP Morgan Chase Bank	4.32% due Feb. 16, 2007	29,192,903	1,400,000	Gloucester Credit Card Trust (Floating Rate)	5.59% due Jun. 15, 2007	1,407,821
3,890,000	JP Morgan Chase Bank	4.31% due Feb. 28, 2007	3,849,544	42,584,000	Greater Toronto Airports Authority (Floating Rate)	4.51% due May 18, 2007	42,609,158
43,070,000	Manulife Bank of Canada	4.32% due Mar. 9, 2007	42,609,315	3,255,000	Honda Canada Finance Inc. (Floating Rate)	4.42% due May 14, 2007	3,255,727
41,650,000	National Bank of Canada	4.37% due May 25, 2007	39,908,881	20,000,000	Household Financial Corporation Ltd.	6.44% due Jun. 1, 2007	20,163,845
12,000,000	Royal Bank of Canada	4.26% due Sep. 27, 2007	11,630,760	47,704,000	Hydro One Inc.	4.45% due May 4, 2007	47,730,676
33,720,000	Toronto-Dominion Bank	4.26% due Jun. 12, 2007	33,026,042	47,689,000	Imperial Oil Ltd.	4.44% due May 7, 2007	47,689,227
			<u>169,899,245</u>	6,000,000	John Deere Credit Inc.	3.00% due Feb. 6, 2007	5,991,093
Commercial Paper – 20.6%				19,932,000 John Deere Credit Inc. 4.45% due Apr. 3, 2007 20,047,418			
29,340,000	Alcan Inc.	4.34% due Mar. 15, 2007	29,030,864	5,462,000	John Deere Credit Inc.	3.25% due Jun. 1, 2007	5,437,672
4,500,000	Caterpillar Financial Services Ltd.	4.32% due Jan. 16, 2007	4,452,270	9,300,000	John Deere Credit Inc.	4.49% due Dec. 13, 2007	9,311,597
11,200,000	Caterpillar Financial Services Ltd.	4.32% due Jan. 26, 2007	11,079,376	2,434,000	Maritime Life Canadian Funding	5.39% due Mar. 12, 2007	2,439,309
7,735,000	Enbridge Gas Distribution Inc.	4.32% due Jan. 4, 2007	7,684,955	10,000,000	Master Credit Card Trust	6.06% due Jun. 21, 2007	10,079,721
4,000,000	Enbridge Gas Distribution Inc.	4.32% due Jan. 15, 2007	3,957,360	38,000,000	National Bank of Canada	4.35% due Oct. 25, 2007	38,000,000
8,300,000	Enbridge Inc.	4.33% due Jan. 9, 2007	8,237,418	34,700,000	NAV Canada (Floating Rate)	4.49% due May 7, 2007	34,700,000
3,400,000	Enbridge Inc.	4.33% due Jan. 19, 2007	3,371,610	12,800,000	NAV Canada (Floating Rate)	4.48% due Nov. 2, 2007	12,800,000
12,900,000	Enbridge Inc.	4.32% due Feb. 9, 2007	12,781,157	13,055,000	NIF-T	3.17% due Feb. 23, 2007	13,030,736
12,926,000	EnCana Corporation	4.33% due Jan. 22, 2007	12,834,523	14,400,000	NIF-T (Floating Rate)	4.23% due Feb. 23, 2007	14,397,023
600,000	General Electric Capital Canada Funding Company	4.32% due Jan. 4, 2007	595,908	15,100,000	NIF-T (Floating Rate)	3.25% due Mar. 17, 2007	15,064,349
13,000,000	General Electric Capital Canada Funding Company	4.33% due Jan. 29, 2007	12,846,080	17,438,000	Ottawa MacDonald-Cartier International	5.64% due May 25, 2007	17,533,365
5,000,000	General Electric Capital Canada Funding Company	4.33% due Jan. 30, 2007	4,943,700	3,000,000	Royal Bank of Canada	4.42% due Nov. 16, 2007	3,002,592
1,400,000	General Electric Capital Canada Funding Company	4.30% due Mar. 19, 2007	1,382,248	10,410,000	Thomson Corporation	6.50% due Jul. 9, 2007	10,523,384
2,000,000	General Electric Capital Canada Funding Company	4.31% due Mar. 22, 2007	1,973,200	7,945,000	Wells Fargo Financial Canada Corporation	5.50% due Jun. 15, 2007	7,987,064
5,800,000	General Electric Capital Canada Funding Company	4.28% due Jun. 20, 2007	5,678,780	5,300,000	Wells Fargo Financial Canada Corporation	3.80% due Aug. 27, 2007	5,282,009
10,900,000	General Electric Capital Canada Funding Company	4.29% due Jun. 27, 2007	10,674,152	20,000,000	Wells Fargo Financial Canada Corporation (Floating Rate)	4.43% due Dec. 10, 2007	20,000,000
14,500,000	Honda Canada Finance Inc.	4.32% due Jan. 12, 2007	14,350,505				<u>973,746,055</u>
19,000,000	Honda Canada Finance Inc.	4.32% due Jan. 16, 2007	18,827,086		TOTAL INVESTMENT PORTFOLIO		1,609,738,235
4,000,000	Honda Canada Finance Inc.	4.32% due Jan. 24, 2007	3,957,840		ACCRUED INTEREST – 0.7%		10,892,377
7,500,000	Honda Canada Finance Inc.	4.31% due Feb. 15, 2007	7,420,275		OTHER ASSETS, LESS LIABILITIES – 0.0%		232,127
7,000,000	John Deere Limited	4.32% due Jan. 19, 2007	6,950,650		TOTAL NET ASSETS – 100.0%		<u>1,620,862,739</u>
20,000,000	Merrill Lynch Canada Inc.	4.32% due Mar. 27, 2007	19,768,400				
2,400,000	Nestle Capital Canada	4.31% due Jan. 22, 2007	2,374,752				
7,290,000	Nova Scotia Power Inc.	4.32% due Jan. 4, 2007	7,192,095				
22,730,000	Omers Realty Corporation	4.31% due Mar. 28, 2007	22,490,880				
14,000,000	Terassen Gas Inc.	4.32% due Jan. 2, 2007	13,854,120				
3,500,000	Terassen Gas Inc.	4.32% due Jan. 4, 2007	3,479,000				
22,000,000	Terassen Gas Inc.	4.33% due Jan. 30, 2007	21,768,040				
8,660,000	Terassen Gas Inc.	4.33% due Feb. 6, 2007	8,561,449				
26,870,000	TransAlta Corporation	4.33% due Jan. 22, 2007	26,699,570				
9,550,000	TransCanada PipeLines Ltd.	4.32% due Jan. 4, 2007	9,433,872				
15,000,000	Wells Fargo Financial Canada Corporation	4.32% due Jan. 26, 2007	14,838,450				
			<u>333,490,585</u>				
SHORT-TERM BONDS – 60.0%							
48,000,000	407 ETR International Inc.	4.38% due Nov. 23, 2007	48,000,000				
76,000,000	Bank of Montreal	4.40% due Sep. 14, 2007	76,030,873				
16,000,000	BOS International Australia Ltd.	3.50% due Jan. 22, 2007	15,990,218				
63,900,000	BOS International Australia Ltd. (Floating Rate)	4.49% due Jan. 22, 2007	63,902,524				
80,000,000	Broadway Credit Card Trust (Floating Rate)	4.45% due Jul. 17, 2007	80,023,899				

The accompanying notes are an integral part of the financial statements

Scotia Money Market Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$1,609,738,235	\$1,801,302,429
Cash	118,398	120,893
Accrued investment income	10,892,377	7,819,063
Receivable for securities sold	1,032,661	—
	<u>1,621,781,671</u>	<u>1,809,242,385</u>
LIABILITIES		
Distributions payable	32,085	28,551
Accrued expenses	886,847	1,133,858
	<u>918,932</u>	<u>1,162,409</u>
Net assets	<u>\$1,620,862,739</u>	<u>\$1,808,079,976</u>
NET ASSETS PER CLASS		
Class A Units	\$ 870,583,021	\$1,058,448,738
Class I Units	\$ 13,172,631	\$ 8,109,762
Scotia Private Client Units	\$ 737,107,087	\$ 741,521,476
UNITS OUTSTANDING		
Class A Units	87,058,302	105,844,874
Class I Units	1,317,263	810,976
Scotia Private Client Units	73,710,709	74,152,148
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.00	\$ 10.00
Class I Units	\$ 10.00	\$ 10.00
Scotia Private Client Units	\$ 10.00	\$ 10.00

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$65,678,554	\$55,605,661
Securities lending	600	5,953
	<u>65,679,154</u>	<u>55,611,614</u>
EXPENSES		
Management fees (note 4)	9,206,310	11,906,766
Audit fees	21,883	17,530
Directors'/trustee fees	2,755	2,642
Custodian fees	110,147	140,233
Filing fees	62,337	79,633
Legal fees	21,466	1,109
Unitholder reporting	181,023	233,087
Unitholder administration, service fees and GST	1,618,794	1,881,869
	<u>11,224,715</u>	<u>14,262,869</u>
Absorbed expenses	(534,869)	(455,411)
	<u>10,689,846</u>	<u>13,807,458</u>
Net investment income (loss)	<u>54,989,308</u>	<u>41,804,156</u>
Increase (decrease) in net assets from operations	<u>\$54,989,308</u>	<u>\$41,804,156</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$25,992,858	\$18,321,915
Class I Units	\$ 452,980	\$ 54,586
Scotia Private Client Units	<u>\$28,543,470</u>	<u>\$23,427,655</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.29	\$ 0.16
Class I Units	\$ 0.41	\$ 0.16
Scotia Private Client Units	<u>\$ 0.40</u>	<u>\$ 0.27</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 1,058,448,738	\$ 1,200,186,860
Class I Units	8,109,762	—
Scotia Private Client Units	<u>741,521,476</u>	<u>628,229,974</u>
	<u>1,808,079,976</u>	<u>1,828,416,834</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	25,992,858	18,321,915
Class I Units	452,980	54,586
Scotia Private Client Units	<u>28,543,470</u>	<u>23,427,655</u>
	<u>54,989,308</u>	<u>41,804,156</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(25,992,858)	(18,321,915)
Class I Units	(452,980)	(54,586)
Scotia Private Client Units	<u>(28,543,470)</u>	<u>(23,427,655)</u>
	<u>(54,989,308)</u>	<u>(41,804,156)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,074,788,652	1,524,674,320
Class I Units	5,220,382	8,125,729
Scotia Private Client Units	<u>1,673,847,321</u>	<u>2,134,225,125</u>
Reinvested distributions		
Class A Units	25,611,088	18,024,628
Class I Units	452,980	54,586
Scotia Private Client Units	<u>28,221,232</u>	<u>23,268,953</u>
Payments on redemption		
Class A Units	(1,288,265,457)	(1,684,437,070)
Class I Units	(610,493)	(70,553)
Scotia Private Client Units	<u>(1,706,482,942)</u>	<u>(2,044,202,576)</u>
	<u>(187,217,237)</u>	<u>(20,336,858)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(187,865,717)	(141,738,122)
Class I Units	5,062,869	8,109,762
Scotia Private Client Units	<u>(4,414,389)</u>	<u>113,291,502</u>
	<u>(187,217,237)</u>	<u>(20,336,858)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	870,583,021	1,058,448,738
Class I Units	13,172,631	8,109,762
Scotia Private Client Units	<u>737,107,087</u>	<u>741,521,476</u>
	<u>\$ 1,620,862,739</u>	<u>\$ 1,808,079,976</u>

Scotia CanAm U.S. \$ Money Market Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer		Average Cost (\$)
U.S.\$			U.S.\$
SHORT-TERM NOTES – 98.8%			
Treasury Bills – 0.3%			
240,000	Government of Canada	5.10% due Mar. 15, 2007	<u>237,410</u>
Promissory Notes – 18.1%			
9,074,000	Province of British Columbia	5.22% due Jan. 10, 2007	8,982,428
3,200,000	Province of British Columbia	5.23% due Jan. 30, 2007	3,160,960
1,180,000	Province of British Columbia	5.21% due Feb. 8, 2007	<u>1,170,005</u>
			<u>13,313,393</u>
Bankers' Acceptances – 6.1%			
800,000	Bank of Montreal	5.24% due Apr. 4, 2007	785,368
3,800,000	Toronto-Dominion Bank	5.25% due Apr. 17, 2007	<u>3,702,796</u>
			<u>4,488,164</u>
Bearers' Deposit Notes – 10.7%			
1,100,000	Bank of Montreal	5.26% due Mar. 1, 2007	1,086,195
1,150,000	Bank of Montreal	5.26% due Mar. 13, 2007	1,135,407
2,200,000	HSBC Bank of Canada	5.27% due Jan. 23, 2007	2,171,708
3,600,000	National Bank of Canada	5.30% due Apr. 11, 2007	<u>3,506,040</u>
			<u>7,899,350</u>
Commercial Paper – 63.6%			
2,200,000	Alcan Inc.	5.37% due Jan. 25, 2007	2,170,542
6,800,000	Business Development Bank	5.21% due Feb. 16, 2007	6,702,012
5,000,000	Business Development Bank	5.20% due Apr. 23, 2007	4,874,117
600,000	Business Development Bank	5.15% due Jun. 5, 2007	579,684
2,330,000	Canadian Imperial Holdings Inc.	5.29% due Feb. 26, 2007	2,299,267
3,300,000	Caterpillar Financial Services Ltd.	5.25% due Jan. 4, 2007	3,285,612
1,500,000	Chevron Canada Capital Company	5.26% due Jan. 10, 2007	1,486,110
500,000	Chevron Canada Capital Company	5.28% due Jan. 16, 2007	494,060
3,700,000	Citigroup Funding Inc.	5.29% due May 9, 2007	3,589,259
700,000	Enbridge Inc.	5.29% due Jan. 31, 2007	690,662
1,600,000	Enbridge Inc.	5.30% due Mar. 1, 2007	1,579,072
1,000,000	Export Development Corporation	5.25% due Mar. 26, 2007	973,590
340,000	Export Development Corporation	5.19% due Mar. 27, 2007	334,978
4,900,000	Export Development Corporation	5.18% due Mar. 28, 2007	4,776,275
3,375,000	General Electric Capital Corporation	5.35% due Mar. 16, 2007	3,287,554
325,000	General Electric Capital Corporation	5.29% due Jun. 27, 2007	316,625
2,200,000	HBOS Treasury Services PLC	5.29% due Mar. 20, 2007	2,168,760
200,000	John Deere Credit Inc.	5.34% due Mar. 5, 2007	195,166
3,500,000	Nestle Capital Corporation	5.25% due Feb. 7, 2007	3,455,165
1,900,000	Royal Bank of Canada	5.25% due Mar. 5, 2007	1,874,312
1,800,000	Royal Bank of Canada	5.27% due Mar. 8, 2007	<u>1,776,078</u>
			<u>46,908,900</u>
TOTAL INVESTMENT PORTFOLIO			<u>72,847,217</u>
ACCRUED INTEREST – 0.8%			612,982
OTHER ASSETS, LESS LIABILITIES – 0.4%			286,111
TOTAL NET ASSETS – 100.0%			<u>73,746,310</u>

Scotia CanAm U.S. \$ Money Market Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS	U.S.\$	U.S.\$
Investments at market value	\$72,847,217	\$83,069,344
Cash	156,402	151,881
Accrued investment income	819,051	490,839
	<u>73,822,670</u>	<u>83,712,064</u>
LIABILITIES		
Distributions payable	3,700	2,099
Accrued expenses	72,660	84,882
	<u>76,360</u>	<u>86,981</u>
Net assets	<u>\$73,746,310</u>	<u>\$83,625,083</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$73,746,310</u>	<u>\$83,625,083</u>
UNITS OUTSTANDING		
Class A Units	<u>7,374,631</u>	<u>8,362,508</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 10.00</u>	<u>\$ 10.00</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME	U.S.\$	U.S.\$
Interest	\$3,870,593	\$2,824,498
EXPENSES		
Management fees (note 4)	771,803	843,465
Audit fees	11,861	10,263
Directors'/trustee fees	2,612	2,200
Custodian fees	10,432	11,804
Filing fees	17,539	18,040
Legal fees	2,111	924
Unitholder reporting	17,677	10,871
Unitholder administration, service fees and GST	131,697	128,882
	<u>965,732</u>	<u>1,026,449</u>
Absorbed expenses	<u>(102,378)</u>	<u>(77,237)</u>
	<u>863,354</u>	<u>949,212</u>
Net investment income (loss)	<u>3,007,239</u>	<u>1,875,286</u>
Increase (decrease) in net assets from operations	<u>\$3,007,239</u>	<u>\$1,875,286</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$3,007,239</u>	<u>\$1,875,286</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 0.39</u>	<u>\$ 0.22</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD	U.S.\$	U.S.\$
Class A Units	\$ 83,625,083	\$ 91,265,469
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>3,007,239</u>	<u>1,875,286</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	<u>(3,007,239)</u>	<u>(1,875,286)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	116,882,782	113,953,431
Reinvested distributions		
Class A Units	2,982,692	1,859,955
Payments on redemption		
Class A Units	<u>(129,744,247)</u>	<u>(123,453,772)</u>
	<u>(9,878,773)</u>	<u>(7,640,386)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>(9,878,773)</u>	<u>(7,640,386)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$ 73,746,310</u>	<u>\$ 83,625,083</u>

Scotia Canadian Bond Index Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES - 98.4%				BONDS AND DEBENTURES (cont'd)			
Federal Bonds - 44.6%				Federal Bonds (cont'd)			
940,000	Canada Housing Trust 4.40% due Mar. 15, 2008	951,607	943,057	1,189,000	Government of Canada 5.25% due Jun. 1, 2013	1,277,725	1,270,584
1,000,000	Canada Housing Trust 3.70% due Sep. 15, 2008	977,650	993,115	418,000	Government of Canada 10.25% due Mar. 15, 2014	586,781	578,456
750,000	Canada Housing Trust 4.10% due Dec. 15, 2008	748,852	749,821	734,100	Government of Canada 5.00% due Jun. 1, 2014	772,705	777,737
800,000	Canada Housing Trust 3.55% due Mar. 15, 2009	791,584	790,830	11,000	Government of Canada 4.50% due Jun. 1, 2015	11,421	11,326
1,400,000	Canada Housing Trust 4.65% due Sep. 15, 2009	1,413,433	1,419,634	193,000	Government of Canada 11.25% due Jun. 1, 2015	297,491	291,180
1,280,000	Canada Housing Trust 3.75% due Mar. 15, 2010	1,274,536	1,266,928	3,141,000	Government of Canada 4.00% due Jun. 1, 2016	3,088,479	3,121,369
670,000	Canada Housing Trust 3.55% due Sep. 15, 2010	669,270	657,815	400,000	Government of Canada 4.00% due Jun. 1, 2017	402,320	396,440
1,810,000	Canada Housing Trust 4.05% due Mar. 15, 2011	1,800,789	1,807,250	140,000	Government of Canada 9.75% due Jun. 1, 2021	199,838	224,668
2,320,000	Canada Housing Trust 4.60% due Sep. 15, 2011	2,341,966	2,368,800	1,722,000	Government of Canada 8.00% due Jun. 1, 2023	2,342,947	2,501,064
1,400,000	Canada Housing Trust 3.95% due Dec. 15, 2011	1,397,312	1,390,319	577,000	Government of Canada 9.00% due Jun. 1, 2025	842,705	931,711
35,000	Canada Mortgage & Housing Corporation 4.25% due Feb. 1, 2016	34,106	35,035	795,800	Government of Canada 8.00% due Jun. 1, 2027	1,106,756	1,210,644
130,000	Export Development Corporation 6.20% due Jun. 22, 2010	132,098	138,906	1,901,000	Government of Canada 5.75% due Jun. 1, 2029	2,230,760	2,335,561
175,000	Export Development Corporation 5.75% due Jun. 1, 2011	178,546	186,629	2,522,000	Government of Canada 5.75% due Jun. 1, 2033	3,138,047	3,171,667
400,000	Export Development Corporation 5.80% due Dec. 3, 2012	417,440	434,785	565,000	Government of Canada 5.00% due Jun. 1, 2037	583,073	652,344
80,000	Export Development Corporation 5.10% due Jun. 2, 2014	79,994	84,623			<u>48,149,008</u>	<u>48,501,815</u>
50,000	Export Development Corporation 4.30% due Jun. 1, 2016	49,842	50,214	Municipal Bonds - 1.8%			
16,000	Farm Credit Corporation 4.00% due May 24, 2013	15,963	15,873	100,000	Alberta Municipal Finance Corporation 5.70% due Sep. 1, 2011	108,142	106,561
33,000	Farm Credit Corporation 4.15% due Dec. 1, 2015	32,816	32,765	260,000	Alberta Municipal Finance Corporation 5.85% due Jun. 1, 2012	261,454	281,203
16,000	Farm Credit Corporation 4.30% due Oct. 5, 2020	16,004	15,927	300,000	British Columbia Municipal Financial Authority 5.50% due Mar. 24, 2008	311,655	304,715
177,000	Farm Credit Corporation 4.55% due Apr. 12, 2021	179,463	180,630	100,000	British Columbia Municipal Financial Authority 5.25% due Jun. 1, 2009	91,328	102,573
2,413,000	Government of Canada 6.00% due Jun. 1, 2008	2,590,994	2,476,399	20,000	British Columbia Municipal Financial Authority 4.00% due Dec. 1, 2010	19,950	19,921
880,000	Government of Canada 4.25% due Sep. 1, 2008	889,146	882,811	35,000	British Columbia Municipal Financial Authority 5.25% due Dec. 3, 2012	34,801	36,937
2,515,000	Government of Canada 4.25% due Dec. 1, 2008	2,534,855	2,525,186	30,000	British Columbia Municipal Financial Authority 4.90% due Dec. 2, 2014	29,987	31,166
20,000	Government of Canada 11.50% due Mar. 1, 2009	27,441	23,079	25,000	British Columbia Municipal Financial Authority 4.15% due Oct. 13, 2015	24,968	24,607
392,000	Government of Canada 5.50% due Jun. 1, 2009	419,289	405,559	162,000	British Columbia Municipal Financial Authority 4.65% due Apr. 19, 2016	164,721	165,158
3,716,000	Government of Canada 4.25% due Sep. 1, 2009	3,775,839	3,739,252	60,000	City of Edmonton, Alberta 11.50% due Dec. 13, 2010	80,700	75,711
160,000	Government of Canada 10.75% due Oct. 1, 2009	213,875	187,925	50,000	City of Edmonton, Alberta 9.63% due Feb. 13, 2012	62,963	62,260
875,000	Government of Canada 5.50% due Jun. 1, 2010	947,209	917,182	115,000	City of Montreal, Quebec 6.00% due Jun. 1, 2043	121,597	138,985
180,000	Government of Canada 9.50% due Jun. 1, 2010	226,000	211,634	20,000	City of Toronto, Ontario 6.25% due Aug. 3, 2010	19,854	21,376
2,885,000	Government of Canada 4.00% due Sep. 1, 2010	2,886,141	2,887,156	130,000	City of Toronto, Ontario 5.30% due May 21, 2014	129,753	137,583
690,000	Government of Canada 9.00% due Mar. 1, 2011	846,882	822,212	30,000	City of Toronto, Ontario 4.55% due May 20, 2015	29,826	30,277
160,000	Government of Canada 6.00% due Jun. 1, 2011	174,937	172,916	55,000	City of Toronto, Ontario 4.85% due Jul. 28, 2016	54,767	56,490
2,088,000	Government of Canada 5.25% due Jun. 1, 2012	2,232,081	2,212,797	15,000	Hydro Ottawa Holding Inc. 4.93% due Feb. 9, 2015	14,994	15,372
				100,000	Metropolitan Toronto, Ontario 8.65% due Jun. 8, 2015	124,069	129,345

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Municipal Bonds (cont'd)				Provincial Bonds (cont'd)			
37,266	Toronto Hospital 5.64% due Dec. 8, 2022	36,446	40,291	440,000	Hydro-Quebec 6.50% due Feb. 15, 2035	498,587	562,624
40,000	Toronto Hydro Corporation 6.11% due May 7, 2013	39,976	43,601	711,000	Hydro-Quebec 6.00% due Feb. 15, 2040	828,532	867,772
40,000	Vancouver International Airport Authority 4.42% due Dec. 7, 2018	40,000	39,328	180,000	Hydro-Quebec 5.00% due Feb. 15, 2045	189,523	190,481
30,000	York Ontario Regional Municipality 4.50% due Sep. 28, 2016	29,921	29,979	20,000	McMaster University 6.15% due Oct. 7, 2052	19,981	25,443
		<u>1,831,872</u>	<u>1,893,439</u>	40,000	Newfoundland & Labrador Hydro 4.33% due Oct. 13, 2016	39,910	39,683
Provincial Bonds - 25.7%				60,000	Newfoundland & Labrador Hydro 10.25% due Jul. 14, 2017	83,494	88,978
135,000	55 Ontario School Board Trust 5.90% due Jun. 2, 2033	134,905	160,142	175,000	Newfoundland & Labrador Hydro 6.65% due Aug. 27, 2031	174,729	227,072
51,000	Alberta Capital Finance Authority 4.35% due Jun. 15, 2016	50,648	51,277	100,000	Ontario Hydro 10.00% due Feb. 6, 2020	137,618	154,201
15,000	Alberta Capital Finance Authority 4.45% due Dec. 15, 2025	14,953	14,976	140,000	Ontario Hydro 8.90% due Aug. 18, 2022	182,350	207,925
88,000	Alberta Treasury Branch 4.10% due Jun. 1, 2011	87,245	87,943	155,000	Ontario Hydro 8.50% due May 26, 2025	194,424	230,478
50,000	Alberta Treasury Branch 4.10% due Dec. 1, 2011	49,773	49,930	450,000	Ontario Hydro 8.25% due Jun. 22, 2026	651,077	661,717
45,000	BC Ferry Services Inc. 5.74% due May 27, 2014	44,976	48,205	40,000	Ontario School Boards Financing Corporation 6.30% due Sep. 22, 2010	39,856	42,847
40,000	BC Ferry Services Inc. 6.25% due Oct. 13, 2034	39,952	46,958	40,000	Ontario School Boards Financing Corporation 5.30% due Nov. 7, 2013	40,000	42,313
30,000	Concordia University 6.55% due Sep. 2, 2042	29,996	38,612	25,000	Ontario School Boards Financing Corporation 5.70% due Oct. 11, 2017	24,935	27,470
70,000	Financement Quebec 5.75% due Dec. 1, 2008	69,380	72,038	32,203	Ontario School Boards Financing Corporation 5.90% due Oct. 11, 2027	32,035	35,758
80,000	Financement Quebec 4.75% due Dec. 1, 2009	81,006	81,297	48,007	Ontario School Boards Financing Corporation 5.48% due Nov. 26, 2029	48,006	51,489
160,000	Financement Quebec 5.25% due Dec. 1, 2011	162,203	167,376	19,572	Ontario School Boards Financing Corporation 4.79% due Aug. 8, 2030	19,572	19,649
197,000	Financement Quebec 4.25% due Mar. 1, 2014	194,073	195,918	25,736	Ontario School Boards Financing Corporation 5.07% due Apr. 18, 2031	25,736	26,505
55,000	Financement Quebec 5.25% due Jun. 1, 2034	59,806	59,432	100,000	Ontario Strategic Infrastructure Finance Authority 4.60% due Jun. 1, 2015	99,699	101,677
125,000	Hydro One Inc. 4.00% due Jun. 23, 2008	126,712	124,544	175,000	Province of British Columbia 6.00% due Jun. 9, 2008	179,758	179,441
75,000	Hydro One Inc. 3.95% due Feb. 24, 2009	75,261	74,545	260,000	Province of British Columbia 6.38% due Aug. 23, 2010	266,744	279,780
230,000	Hydro One Inc. 7.15% due Jun. 3, 2010	249,210	251,281	320,000	Province of British Columbia 5.75% due Jan. 9, 2012	337,243	343,237
40,000	Hydro One Inc. 5.77% due Nov. 15, 2012	41,658	42,979	275,000	Province of British Columbia 8.50% due Aug. 23, 2013	330,706	342,929
129,000	Hydro One Inc. 4.64% due Mar. 3, 2016	128,705	129,974	80,000	Province of British Columbia 5.30% due Jun. 18, 2014	79,504	85,367
85,000	Hydro One Inc. 7.35% due Jun. 3, 2030	84,897	113,285	100,000	Province of British Columbia 5.60% due Jun. 1, 2018	108,177	110,814
50,000	Hydro One Inc. 6.93% due Jun. 1, 2032	53,175	64,354	30,000	Province of British Columbia 5.30% due Jun. 17, 2019	30,065	32,505
20,000	Hydro One Inc. 6.35% due Jan. 31, 2034	20,151	24,202	290,000	Province of British Columbia 6.15% due Nov. 19, 2027	273,509	354,730
100,000	Hydro One Inc. 5.36% due May 20, 2036	99,610	106,557	200,000	Province of British Columbia 6.35% due Jun. 18, 2031	212,740	255,188
200,000	Hydro-Quebec 6.00% due Jul. 15, 2009	198,110	208,895	70,000	Province of British Columbia 5.40% due Jun. 18, 2035	69,733	80,482
250,000	Hydro-Quebec 6.50% due Feb. 15, 2011	256,435	271,975	85,000	Province of British Columbia 4.70% due Jun. 18, 2037	84,553	88,317
340,000	Hydro-Quebec 10.00% due Sep. 26, 2011	432,337	423,676	400,000	Province of Manitoba 5.75% due Jun. 2, 2008	384,348	408,585
125,000	Hydro-Quebec 10.25% due Jul. 16, 2012	167,094	161,945	100,000	Province of Manitoba 5.85% due Jan. 25, 2011	99,708	106,422
154,000	Hydro-Quebec 10.50% due Oct. 15, 2021	238,623	249,683	50,000	Province of Manitoba 5.25% due Dec. 3, 2012	49,883	52,786
160,000	Hydro-Quebec 9.63% due Jul. 15, 2022	215,280	247,342	46,000	Province of Manitoba 4.25% due Jun. 3, 2013	45,822	46,133
40,000	Hydro-Quebec 6.00% due Aug. 15, 2031	37,938	47,459	90,000	Province of Manitoba 5.05% due Dec. 3, 2013	90,639	94,366

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)				Provincial Bonds (cont'd)			
40,000	Province of Manitoba 4.80% due Dec. 3, 2014	39,764	41,373	85,000	Province of Nova Scotia 4.50% due Jun. 1, 2037	84,370	83,982
40,000	Province of Manitoba 5.20% due Dec. 3, 2015	42,873	42,496	110,000	Province of Ontario 4.00% due May 19, 2009	109,270	109,728
82,000	Province of Manitoba 4.30% due Mar. 1, 2016	81,554	81,673	73,722	Province of Ontario 3.21% due Aug. 13, 2009	73,840	72,650
150,000	Province of Manitoba 7.75% due Dec. 22, 2025	175,083	211,125	410,000	Province of Ontario 6.20% due Nov. 19, 2009	405,527	432,847
125,000	Province of Manitoba 5.70% due Mar. 5, 2037	141,079	148,571	178,000	Province of Ontario 4.00% due May 19, 2010	176,064	177,397
175,000	Province of New Brunswick 6.38% due Jun. 15, 2010	174,550	187,617	405,000	Province of Ontario 6.10% due Nov. 19, 2010	409,671	433,491
60,000	Province of New Brunswick 5.80% due Jul. 12, 2011	59,440	64,102	93,000	Province of Ontario 4.40% due Dec. 2, 2011	92,393	94,085
200,000	Province of New Brunswick 5.85% due Dec. 1, 2011	210,300	215,077	200,000	Province of Ontario 6.10% due Dec. 2, 2011	207,970	217,279
200,000	Province of New Brunswick 5.88% due Dec. 6, 2012	209,880	217,719	100,000	Province of Ontario 5.38% due Dec. 2, 2012	101,000	106,226
100,000	Province of New Brunswick 4.50% due Feb. 4, 2015	99,358	101,337	250,000	Province of Ontario 4.75% due Jun. 2, 2013	261,125	257,683
130,000	Province of New Brunswick 8.75% due May 12, 2015	159,667	170,033	725,000	Province of Ontario 5.00% due Mar. 8, 2014	754,197	757,935
92,000	Province of New Brunswick 4.30% due Dec. 3, 2015	91,810	91,748	1,066,500	Province of Ontario 4.50% due Mar. 8, 2015	1,063,914	1,080,756
75,000	Province of New Brunswick 4.70% due Jul. 21, 2016	74,439	76,953	371,000	Province of Ontario 4.40% due Mar. 8, 2016	366,785	372,301
175,000	Province of New Brunswick 6.00% due Dec. 27, 2017	197,531	198,800	200,000	Province of Ontario 9.50% due Jul. 13, 2022	268,132	310,047
50,000	Province of New Brunswick 5.65% due Dec. 27, 2028	45,795	57,415	250,000	Province of Ontario 8.10% due Sep. 8, 2023	311,250	353,394
90,000	Province of New Brunswick 5.50% due Jan. 27, 2034	90,342	103,009	180,000	Province of Ontario 7.60% due Jun. 2, 2027	227,954	251,993
44,000	Province of New Brunswick 4.65% due Sep. 26, 2035	43,958	44,600	110,000	Province of Ontario 6.25% due Aug. 25, 2028	110,879	134,942
50,000	Province of Newfoundland 5.70% due Oct. 7, 2008	51,872	51,285	660,000	Province of Ontario 6.50% due Mar. 8, 2029	671,460	836,761
50,000	Province of Newfoundland 6.40% due Jul. 25, 2011	49,858	54,597	90,000	Province of Ontario 6.20% due Jun. 2, 2031	89,415	111,429
75,000	Province of Newfoundland 10.13% due Nov. 22, 2014	102,518	103,577	735,000	Province of Ontario 5.85% due Mar. 8, 2033	773,700	878,125
65,000	Province of Newfoundland 10.95% due Apr. 15, 2021	96,801	107,990	802,000	Province of Ontario 5.60% due Jun. 2, 2035	880,544	934,083
35,000	Province of Newfoundland 6.15% due Apr. 17, 2028	33,447	42,253	653,000	Province of Ontario 4.70% due Jun. 2, 2037	652,399	667,973
50,000	Province of Newfoundland 6.55% due Oct. 17, 2030	50,060	63,868	50,000	Province of Prince Edward Island 6.80% due Feb. 21, 2030	49,689	65,298
65,000	Province of Newfoundland 4.50% due Apr. 17, 2037	64,598	63,874	20,000	Province of Prince Edward Island 5.70% due Jun. 15, 2035	19,982	23,419
90,000	Province of Nova Scotia 5.40% due Jun. 1, 2009	84,163	92,601	20,000	Province of Prince Edward Island 5.30% due May 19, 2036	19,872	22,195
85,000	Province of Nova Scotia 6.40% due Sep. 1, 2010	85,256	91,516	20,000	Province of Prince Edward Island 4.65% due Nov. 19, 2037	19,991	20,117
150,000	Province of Nova Scotia 6.25% due Jun. 1, 2011	149,454	162,739	110,000	Province of Quebec 5.50% due Jun. 1, 2009	100,902	113,389
25,000	Province of Nova Scotia 4.50% due Jun. 1, 2013	24,884	25,414	300,000	Province of Quebec 6.25% due Dec. 1, 2010	323,910	322,447
40,000	Province of Nova Scotia 4.70% due Jan. 14, 2015	39,877	41,079	200,000	Province of Quebec 6.00% due Oct. 1, 2012	204,120	217,872
60,000	Province of Nova Scotia 4.60% due Aug. 18, 2016	59,648	61,079	200,000	Province of Quebec 5.25% due Oct. 1, 2013	210,178	210,882
75,000	Province of Nova Scotia 4.45% due Oct. 24, 2021	73,511	74,319	320,000	Province of Quebec 5.50% due Dec. 1, 2014	331,794	343,737
130,000	Province of Nova Scotia 9.60% due Jan. 30, 2022	179,967	201,122	875,000	Province of Quebec 5.00% due Dec. 1, 2015	910,908	910,828
75,000	Province of Nova Scotia 6.60% due Jun. 1, 2027	72,360	95,172	630,000	Province of Quebec 4.50% due Dec. 1, 2016	618,245	630,664
50,000	Province of Nova Scotia 5.80% due Jun. 1, 2033	52,302	59,424	500,000	Province of Quebec 6.00% due Oct. 1, 2029	534,702	590,423
55,000	Province of Nova Scotia 4.90% due Jun. 1, 2035	55,465	57,914	364,000	Province of Quebec 6.25% due Jun. 1, 2032	353,269	446,599

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)				Corporate Bonds (cont'd)			
300,000	Province of Quebec 5.75% due Dec. 1, 2036	326,654	350,894	30,000	AltaLink LP 5.43% due Jun. 5, 2013	32,363	31,501
164,000	Province of Quebec 5.00% due Dec. 1, 2038	170,460	172,397	82,000	American Express Canada Credit Corporation 4.24% due Jan. 27, 2009	81,984	81,948
125,000	Province of Saskatchewan 6.50% due Nov. 12, 2009	131,594	132,922	82,000	American Express Canada Credit Corporation 4.30% due Nov. 12, 2010	81,851	81,963
85,000	Province of Saskatchewan 6.15% due Sep. 1, 2010	94,452	90,825	65,000	American Express Canada Credit Corporation 4.70% due May 20, 2011	64,995	65,872
100,000	Province of Saskatchewan 10.25% due Apr. 10, 2014	131,100	137,321	75,000	Aon Corporation 5.05% due Apr. 12, 2011	74,895	76,099
40,000	Province of Saskatchewan 5.25% due Jun. 3, 2014	39,699	42,505	46,000	Asian Development Bank 4.65% due Feb. 16, 2027	45,884	46,474
30,000	Province of Saskatchewan 4.25% due Dec. 3, 2015	29,797	29,809	40,000	Bank of Montreal 4.45% due Oct. 13, 2008	39,994	40,097
60,000	Province of Saskatchewan 4.50% due Aug. 23, 2016	59,590	60,711	100,000	Bank of Montreal 4.30% due Sep. 4, 2009	99,942	100,085
100,000	Province of Saskatchewan 6.40% due Sep. 5, 2031	103,020	127,592	80,000	Bank of Montreal 4.00% due Jan. 21, 2010	79,982	79,311
123,000	Province of Saskatchewan 5.60% due Sep. 5, 2035	127,591	144,324	200,000	Bank of Montreal 7.00% due Jan. 28, 2010	208,540	215,307
80,000	Province of Saskatchewan 5.00% due Mar. 5, 2037	80,868	86,357	120,000	Bank of Montreal 4.69% due Jan. 31, 2011	119,418	121,798
37,000	Province of Saskatchewan 4.75% due Jun. 1, 2040	36,685	38,578	200,000	Bank of Montreal (callable) 5.75% due Feb. 4, 2013-(2008)	206,340	202,797
20,000	Quebec University 5.86% due Jan. 20, 2044	19,998	23,231	150,000	Bank of Montreal 4.65% due Mar. 14, 2013	149,925	151,984
50,000	Simon Fraser University 5.61% due Jun. 10, 2043	50,000	58,898	100,000	Bank of Montreal 4.78% due Apr. 30, 2014	99,981	102,033
20,000	University of British Columbia 4.82% due Jul. 26, 2035	20,000	20,733	90,000	Bank of Montreal 4.87% due Apr. 22, 2015	89,986	91,729
20,000	University of Guelph 6.24% due Oct. 10, 2042	19,974	25,196	70,000	Bank of Montreal 4.63% due Dec. 31, 2015	70,000	68,750
48,796	University of Ontario Institute of Technology 6.35% due Oct. 15, 2034	48,796	53,883	95,000	Bank of Montreal 5.10% due Apr. 21, 2016	95,000	98,291
25,000	University of Windsor 5.37% due Jun. 29, 2046	25,000	27,324	95,000	Bank of Montreal 4.55% due Aug. 1, 2017	94,990	94,614
20,000	Wilfrid Laurier University 5.43% due Feb. 1, 2045	20,000	22,160	635,000	Bank of Montreal Capital Trust (callable) 5.47% due Dec. 31, 2049-(2014)	650,080	664,382
100,000	York University 6.48% due Mar. 7, 2042	99,972	130,321	20,000	BC Telephone 12.00% due May 31, 2010	26,330	24,714
		<u>26,105,443</u>	<u>27,954,393</u>	30,000	BC Telephone 10.65% due Jun. 19, 2021	38,448	46,509
Corporate Bonds - 26.3%				50,000	BC Telephone 9.65% due Apr. 8, 2022	46,500	73,299
430,000	407 ETR International Inc. 6.05% due Jul. 27, 2009	439,220	449,004	50,000	BCE Inc. 7.35% due Oct. 30, 2009	49,873	53,630
55,000	407 ETR International Inc. 5.96% due Dec. 3, 2035	54,961	62,675	50,000	BCIMC Realty Corporation 4.10% due Feb. 10, 2011	49,968	49,527
79,000	407 ETR International Inc. 5.75% due Feb. 14, 2036	78,899	81,638	50,000	BCIMC Realty Corporation 4.65% due Feb. 10, 2015	49,965	50,345
120,000	Aeroports de Montreal 6.95% due Apr. 16, 2032	136,248	145,704	130,000	Bell Aliant Regional Communications 4.72% due Sep. 26, 2011	129,993	130,370
50,000	Aeroports de Montreal 5.17% due Sep. 17, 2035	49,939	50,705	85,000	Bell Aliant Regional Communications 5.41% due Sep. 26, 2016	84,961	85,321
20,000	AGT Ltd. 8.80% due Sep. 22, 2025	23,974	28,338	200,000	Bell Canada 6.15% due Jun. 15, 2009	207,940	208,095
65,000	Algonquin Credit Card Trust 3.99% due Oct. 15, 2010	65,000	64,308	30,000	Bell Canada 4.64% due Feb. 22, 2016	29,999	29,176
164,522	Alliance Pipeline LP 7.23% due Jun. 30, 2015	169,513	184,593	150,000	Bell Canada 5.00% due Feb. 15, 2017	148,698	149,432
42,488	Alliance Pipeline LP 7.18% due Jun. 30, 2023	44,609	51,155	60,000	Bell Canada 7.00% due Sep. 24, 2027	57,630	69,343
39,001	Alliance Pipeline LP 5.55% due Dec. 31, 2023	39,001	41,241	100,000	Bell Canada 6.55% due May 1, 2029	94,080	110,141
88,086	Alliance Pipeline LP 6.77% due Dec. 31, 2025	88,086	102,682	80,000	Bell Canada 7.30% due Feb. 23, 2032	79,778	96,397
62,937	Alliance Pipeline LP 7.22% due Dec. 31, 2025	66,556	76,223	75,000	Bell Canada 6.10% due Mar. 16, 2035	76,317	78,658
32,000	AltaLink LP 5.02% due Nov. 21, 2012	32,000	32,102	65,000	Borealis Infrastructure Trust 6.27% due May 3, 2011	67,144	69,844

INCOME FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
30,000	Brascan Corporation 5.95% due Jun. 14, 2035	29,809	31,029	30,000	Caterpillar Inc. 4.60% due Jul. 14, 2009	29,943	30,247
65,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	64,977	65,237	43,000	CCARAT Auto Loan Receivable 4.28% due Jan. 17, 2008	43,000	42,938
140,000	Broadway Credit Card Trust 3.85% due Mar. 17, 2009	140,000	138,757	43,000	CCARAT Auto Loan Receivable 4.39% due Jan. 17, 2009	43,000	43,016
26,000	Brookfield Power Corporation 5.25% due Nov. 5, 2018	25,991	26,069	40,000	CDP Financial Inc. 4.20% due Jul. 14, 2008	39,988	39,996
30,000	Brookfield Power Corporation 5.84% due Nov. 5, 2036	29,991	30,176	110,000	CDP Financial Inc. 4.20% due Oct. 14, 2008	109,990	109,990
50,000	Cadbury Beverages Canada Inc. 4.90% due Dec. 1, 2008	49,908	50,302	50,000	CDP Financial Inc. 4.55% due Oct. 14, 2009	49,996	50,444
45,000	Cameco Corporation 4.70% due Sep. 16, 2015	45,150	43,898	16,000	CHIP Mortgage Trust 4.30% due Nov. 1, 2010	16,000	15,983
70,000	Canada Life Capital Trust 6.68% due Jun. 30, 2012	70,000	77,135	35,000	Citigroup Finance Canada Inc. 3.40% due Feb. 18, 2008	34,983	34,646
70,000	Canadian Credit Card Trust 4.14% due Apr. 26, 2010	70,000	69,719	50,000	Citigroup Finance Canada Inc. 4.11% due Dec. 12, 2008	49,879	49,839
50,000	Canadian Credit Card Trust 4.51% due Apr. 24, 2012	50,000	50,370	60,000	Citigroup Finance Canada Inc. 4.78% due Jun. 15, 2009	60,197	60,720
100,000	Canadian Imperial Bank of Commerce 4.75% due Jan. 21, 2008	100,957	100,351	32,000	Citigroup Finance Canada Inc. 4.29% due Nov. 2, 2009	31,990	32,010
75,000	Canadian Imperial Bank of Commerce 4.95% due Jan. 23, 2014	74,778	77,337	30,000	Citigroup Finance Canada Inc. 5.10% due Jul. 26, 2011	29,981	30,920
260,000	Canadian Imperial Bank of Commerce (callable) 4.25% due Jun. 1, 2014-(2009)	263,554	259,815	50,000	Citigroup Finance Canada Inc. 4.75% due Mar. 17, 2014	49,969	50,750
90,000	Canadian Imperial Bank of Commerce (callable) 4.50% due Oct. 15, 2014-(2009)	89,908	90,286	39,000	Citigroup Financial Canada Inc. 3.49% due Sep. 22, 2008	38,999	38,473
60,000	Canadian Imperial Bank of Commerce 4.75% due Dec. 22, 2014	59,846	61,066	26,000	Citigroup Financial Canada Inc. 4.37% due Feb. 3, 2010	25,996	26,039
210,000	Canadian Imperial Bank of Commerce (callable) 3.75% due Sep. 9, 2015-(2010)	209,601	205,781	75,000	Clarica Life Insurance Company (callable) 6.65% due Oct. 12, 2015-(2010)	74,752	81,094
240,000	Canadian Imperial Bank of Commerce (callable) 4.55% due Mar. 28, 2016-(2011)	239,618	241,493	65,000	Congress Financial Corporation Canada 4.00% due Feb. 1, 2010	64,956	64,470
65,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	64,988	63,830	200,000	Consumers Gas Company Ltd. 11.95% due Nov. 30, 2010	281,260	253,977
70,000	Canadian Natural Resources Ltd. 4.95% due Jun. 1, 2015	69,963	69,157	70,000	Consumers Gas Company Ltd. 7.60% due Oct. 29, 2026	91,570	90,987
130,000	Canadian Occidental Petroleum Ltd. 6.30% due Jun. 2, 2008	116,038	133,300	14,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	14,000	13,959
20,000	Canadian Oil Sands Ltd. 5.75% due Apr. 9, 2008	19,959	20,289	31,000	Canadian Utilities Ltd. 5.18% due Nov. 21, 2035	31,000	31,584
35,000	Canadian Oil Sands Ltd. 5.55% due Jun. 29, 2009	34,990	35,865	28,000	Canadian Utilities Ltd. 5.03% due Nov. 20, 2036	28,000	27,888
50,000	Canadian Pacific Railway Ltd. 4.90% due Jun. 15, 2010	49,919	50,842	105,000	DaimlerChrysler Canada Finance Inc. 4.70% due Nov. 10, 2009	104,887	104,977
150,000	Canadian Tire Corporation Ltd. 5.70% due Jun. 9, 2008	150,171	152,742	83,000	Eagle Credit Card Trust 4.44% due Mar. 17, 2011	83,000	83,443
50,000	Canadian Tire Corporation Ltd. 4.95% due Jun. 1, 2015	49,909	50,477	30,000	Enbridge Gas Distribution Inc. 5.16% due Sep. 24, 2014	29,984	31,177
30,000	Canadian Tire Corporation Ltd. 6.32% due Feb. 24, 2034	29,984	32,523	50,000	Enbridge Gas Distribution Inc. 6.90% due Nov. 15, 2032	62,312	62,611
30,000	Canadian Tire Corporation Ltd. 5.61% due Sep. 4, 2035	30,000	29,595	50,000	Enbridge Gas Distribution Inc. 5.21% due Feb. 25, 2036	49,932	50,615
130,000	Canadian Utilities Ltd. 6.97% due Jun. 2, 2008	143,390	134,585	50,000	Enbridge Inc. 3.95% due Feb. 15, 2010	49,964	49,371
100,000	Canadian Utilities Ltd. 10.20% due Nov. 30, 2009	126,890	115,993	90,000	Enbridge Inc. 6.80% due Mar. 10, 2010	91,125	96,346
20,000	Canadian Utilities Ltd. 5.43% due Jan. 23, 2019	20,000	21,247	50,000	Enbridge Inc. 4.67% due Mar. 25, 2013	49,985	50,194
70,000	Capital Desjardins Inc. (callable) 3.89% due Mar. 17, 2014-(2009)	70,000	69,282	70,000	Enbridge Inc. 5.00% due Aug. 9, 2016	69,684	70,712
80,000	Capital Desjardins Inc. (callable) 6.32% due Jun. 1, 2017-(2012)	81,480	86,907	20,000	Enbridge Inc. 7.22% due Jul. 24, 2030	19,998	24,042
120,000	Cards II Trust 3.87% due Oct. 15, 2010	120,000	118,350	24,000	Enbridge Inc. 5.57% due Nov. 14, 2035	23,969	23,711
60,000	Caterpillar Financial Services Ltd. 4.34% due Dec. 6, 2010	59,984	60,118	41,000	Enbridge Pipeline Inc. 4.46% due Dec. 17, 2012	40,995	41,187
60,000	Caterpillar Inc. 4.50% due Aug. 7, 2008	60,457	60,200	26,000	Enbridge Pipeline Inc. 5.08% due Dec. 19, 2036	25,980	25,937

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Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
130,000	Enbridge Pipelines Inc. 6.35% due Nov. 17, 2023	119,675	150,271	55,000	Glacier Credit Card Trust 4.19% due Nov. 19, 2010	55,000	54,829
50,000	EnCana Corporation 5.30% due Dec. 3, 2007	49,953	50,439	40,000	Gloucester Credit Card Trust 4.00% due Nov. 15, 2008	40,000	39,786
80,000	EnCana Corporation 3.60% due Sep. 15, 2008	79,974	79,074	75,000	Gloucester Credit Card Trust 4.45% due Mar. 15, 2011	75,000	75,427
55,000	Epcor Power LP 5.95% due Jun. 23, 2036	54,756	58,212	160,000	Golden Credit Card Trust 4.16% due Oct. 15, 2008	160,000	159,641
68,000	Epcor Utilities Inc. 6.20% due Jun. 2, 2008	68,082	69,729	150,000	Golden Credit Card Trust 6.19% due Jul. 15, 2009	145,755	156,936
55,000	Epcor Utilities Inc. 6.60% due Nov. 1, 2011	52,888	60,024	50,000	Golden Credit Card Trust 4.05% due Jun. 15, 2010	50,000	49,663
33,000	Epcor Utilities Inc. 5.65% due Nov. 16, 2035	32,830	33,934	100,000	Great-West Lifeco Inc. 6.74% due Nov. 24, 2031	99,885	122,983
45,000	ERAC Canada Finance Ltd. 5.38% due Feb. 26, 2016	44,969	45,556	90,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	90,314	110,298
25,000	Finning International Inc. 4.64% due Dec. 14, 2011	24,993	25,151	200,000	Greater Toronto Airports Authority 5.95% due Dec. 3, 2007	210,200	202,899
50,000	Fortis Inc. 7.40% due Oct. 25, 2010	49,947	54,833	90,000	Greater Toronto Airports Authority 6.70% due Jul. 19, 2010	91,284	96,902
30,000	FortisAlberta Inc. 5.33% due Oct. 31, 2014	29,988	31,342	100,000	Greater Toronto Airports Authority 6.25% due Jan. 30, 2012	99,948	108,170
30,000	FortisAlberta Inc. 6.22% due Oct. 31, 2034	29,991	34,823	40,000	Greater Toronto Airports Authority 5.00% due Jun. 1, 2015	39,704	40,999
18,000	FortisAlberta Inc. 5.40% due Apr. 21, 2036	17,987	18,737	85,000	Greater Toronto Airports Authority 4.70% due Feb. 15, 2016	84,937	85,154
16,000	FortisBC Inc. 5.60% due Nov. 9, 2035	16,058	16,462	235,000	Greater Toronto Airports Authority 6.45% due Dec. 3, 2027	224,634	270,374
60,000	GAZ Metropolitan Inc. 6.05% due Nov. 10, 2008	63,150	61,839	150,000	Greater Toronto Airports Authority 7.05% due Jun. 12, 2030	151,264	185,834
53,000	GAZ Metropolitan Inc. 6.95% due Nov. 2, 2009	57,849	56,544	110,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	113,630	137,575
29,000	GAZ Metropolitan Inc. 5.45% due Jul. 12, 2021	28,903	30,865	100,000	Greater Toronto Airports Authority 6.47% due Feb. 2, 2034	99,316	117,299
30,000	GAZ Metropolitan Inc. 6.30% due Oct. 31, 2033	29,824	35,284	50,000	GTC Transcontinental Group Ltd. 6.05% due Jun. 1, 2009	47,900	51,470
29,000	GAZ Metropolitan Inc. 5.70% due Jul. 10, 2036	28,954	31,745	28,000	Halifax International Airport Authority 5.50% due Jul. 19, 2041	28,000	29,582
200,000	General Electric Capital Canada Funding Company 5.00% due Apr. 23, 2008	204,618	201,788	42,000	Honda Canada Finance Inc. 4.70% due Aug. 25, 2011	42,000	42,350
120,000	General Electric Capital Canada Funding Company 3.65% due Jun. 7, 2010	119,929	117,691	60,000	Household Financial Corporation Ltd. 4.20% due Apr. 13, 2009	59,998	59,861
87,000	General Electric Capital Canada Funding Company 4.40% due Feb. 7, 2011	86,911	87,371	45,000	HSBC Bank of Canada 4.49% due Apr. 27, 2009	44,995	45,151
102,000	General Electric Capital Canada Funding Company 4.75% due May 2, 2011	102,032	103,746	30,000	HSBC Canada Asset Trust (callable) 5.15% due Jun. 30, 2049-(2015)	30,000	30,402
150,000	General Electric Capital Canada Funding Company 6.25% due Jul. 24, 2012	153,855	163,567	75,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	74,908	76,150
100,000	General Electric Capital Canada Funding Company 5.15% due Jun. 6, 2013	100,312	104,024	60,000	HSBC Financial Corporation Ltd. 3.50% due Dec. 1, 2008	59,919	59,082
78,000	General Electric Capital Canada Funding Company 4.40% due Jun. 1, 2014	77,885	77,506	105,000	HSBC Financial Corporation Ltd. 4.00% due May 3, 2010	105,209	103,934
100,000	General Electric Capital Canada Funding Company 4.65% due Feb. 11, 2015	99,952	100,664	125,000	HSBC Financial Corporation Ltd. 4.35% due Oct. 6, 2011	125,096	124,561
112,000	General Electric Capital Canada Funding Company 5.10% due Jun. 1, 2016	112,260	116,159	40,000	Industrial Alliance Capital Trust 5.71% due Dec. 31, 2013	40,000	42,006
96,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	95,948	95,309	30,000	Industrial Alliance Capital Trust (callable) 5.13% due Jun. 30, 2019-(2014)	30,076	30,953
40,000	Genesis Trust 4.20% due Sep. 15, 2009	40,000	39,946	41,000	Inter-American Development Bank 4.40% due Jan. 26, 2026	40,886	40,166
160,000	Genesis Trust 4.00% due Mar. 15, 2010	160,000	158,757	70,000	Investors Group Inc. 6.75% due May 9, 2011	76,480	76,551
100,000	George Weston Ltd. 6.45% due Oct. 24, 2011	99,956	108,492	60,000	Investors Group Inc. 7.45% due May 9, 2031	63,120	77,830
30,000	George Weston Ltd. 5.05% due Mar. 10, 2014	29,909	30,659	50,000	Investors Group Inc. 7.11% due Mar. 7, 2033	50,228	62,989
345,000	Glacier Credit Card Trust 4.44% due Nov. 20, 2008	354,163	345,914	96,000	IPL Energy Inc. 6.10% due Jul. 14, 2028	82,368	101,915
100,000	Glacier Credit Card Trust 4.27% due Nov. 20, 2009	100,000	99,997	150,000	John Hancock Canada Corporation 6.67% due May 31, 2011	149,520	163,867

INCOME FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
55,000	Key Nova Scotia Funding Company 4.21% due Dec. 14, 2009	54,998	54,738	45,000	NBC Capital Trust 5.33% due Jun. 30, 2056	45,000	46,113
35,000	Loblaw Companies Ltd. 7.10% due May 11, 2010	36,015	37,983	50,000	NIF-T 4.28% due Feb. 23, 2008	50,000	49,921
50,000	Loblaw Companies Ltd. 6.50% due Jan. 19, 2011	49,985	53,812	14,000	NIF-T 3.54% due Mar. 17, 2008	14,000	13,857
50,000	Loblaw Companies Ltd. 5.40% due Nov. 20, 2013	49,858	52,422	36,000	NIF-T 4.37% due Feb. 23, 2009	36,000	36,026
34,000	Loblaw Companies Ltd. 6.00% due Mar. 3, 2014	31,416	36,848	15,000	NOVA Gas Transmission Ltd. 9.90% due Dec. 16, 2024	19,238	22,985
200,000	Loblaw Companies Ltd. 7.10% due Jun. 1, 2016	208,800	234,626	60,000	Nova Scotia Power Inc. 5.65% due Jul. 14, 2008	60,720	61,097
100,000	Loblaw Companies Ltd. 6.65% due Nov. 8, 2027	95,070	113,117	15,000	Nova Scotia Power Inc. 4.22% due May 17, 2010	14,998	14,942
50,000	Loblaw Companies Ltd. 6.85% due Mar. 1, 2032	53,885	58,148	50,000	Nova Scotia Power Inc. 5.75% due Oct. 1, 2013	49,921	53,075
30,000	Loblaw Companies Ltd. 6.15% due Jan. 29, 2035	29,930	32,193	100,000	Nova Scotia Power Inc. 6.95% due Aug. 25, 2033	105,394	119,707
60,000	Loblaw Companies Ltd. 5.90% due Jan. 18, 2036	59,915	62,312	24,000	Nova Scotia Power Inc. 5.67% due Nov. 14, 2035	23,976	24,496
120,000	Manitoba Telecom Services Inc. 6.15% due Jun. 10, 2014	119,585	128,225	70,000	Omers Realty Corporation 4.69% due Jun. 2, 2008	69,999	70,440
100,000	Manufacturers Life Insurance Company (callable) 6.24% due Feb. 16, 2016-(2011)	100,450	107,207	70,000	Omers Realty Corporation 5.48% due Dec. 31, 2012	69,938	74,410
25,000	Manulife Bank of Canada 4.19% due Dec. 9, 2010	24,959	24,943	15,000	RioCan Real Estate Investment Trust 3.85% due Jan. 4, 2008	14,961	14,885
200,000	Manulife Financial Capital Trust 6.70% due Jun. 30, 2012	198,460	221,226	30,000	RioCan Real Estate Investment Trust 4.91% due Mar. 8, 2011	29,992	30,076
65,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	64,984	65,848	20,000	RioCan Real Estate Investment Trust 4.70% due Jun. 15, 2012	19,954	19,751
100,000	Manulife Financial Delaware 4.45% due Dec. 15, 2016	100,000	98,259	24,000	RioCan Real Estate Investment Trust 5.23% due Mar. 11, 2013	24,001	24,199
125,000	Manulife Financial Delaware (callable) 5.06% due Dec. 15, 2041-(2036)	125,000	123,311	65,000	Rona Inc. 5.40% due Oct. 20, 2016	64,865	65,207
50,000	Master Credit Card Trust 4.38% due Nov. 21, 2009	50,000	50,135	49,000	Royal Bank of Canada 4.17% due Jan. 11, 2011	49,000	48,744
175,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	175,000	176,186	95,000	Royal Bank of Canada 4.92% due Jul. 6, 2011	94,991	97,328
50,000	MBNA Canada Bank 4.00% due Jun. 28, 2010	49,944	49,554	75,000	Royal Bank of Canada (callable) 6.10% due Jan. 22, 2013-(2008)	74,760	76,335
60,000	Merrill Lynch Canada Finance Company 4.70% due Sep. 12, 2008	59,918	60,381	80,000	Royal Bank of Canada 5.00% due Jan. 20, 2014	79,925	82,756
30,000	Merrill Lynch Canada Finance Company 4.20% due Dec. 8, 2009	29,960	29,892	75,000	Royal Bank of Canada (callable) 3.96% due Jan. 27, 2014-(2009)	74,973	74,442
30,000	Merrill Lynch Canada Finance Company 5.00% due Feb. 18, 2014	29,907	30,674	150,000	Royal Bank of Canada (callable) 4.18% due Jun. 1, 2014-(2009)	150,000	149,706
30,000	Metro Inc. 4.98% due Oct. 15, 2015	29,979	30,040	100,000	Royal Bank of Canada 5.95% due Jun. 18, 2014	100,000	107,973
65,000	Metro Inc. 5.97% due Oct. 15, 2035	64,954	66,762	80,000	Royal Bank of Canada 4.71% due Dec. 22, 2014	79,987	81,155
59,141	Milit-Air Inc. 5.75% due Jun. 30, 2019	56,036	63,976	80,000	Royal Bank of Canada (callable) 3.70% due Jun. 24, 2015-(2010)	79,978	78,521
320,000	Molson Coors Capital Finance 5.00% due Sep. 22, 2015	319,203	315,836	160,000	Royal Bank of Canada (callable) 5.45% due Nov. 4, 2018-(2013)	160,000	168,991
50,000	National Bank of Canada 4.66% due Sep. 10, 2009	50,443	50,479	550,000	Royal Bank of Canada Capital Trust 4.87% due Dec. 31, 2015	538,638	549,302
60,000	National Bank of Canada (callable) 4.93% due Dec. 22, 2019-(2014)	60,000	61,160	320,000	Royal Bank of Canada Capital Trust (callable) 7.18% due Jun. 30, 2049-(2011)	360,605	354,948
65,000	National Bank of Canada (callable) 4.70% due Nov. 2, 2020-(2015)	64,821	65,058	100,000	Royal Bank of Canada Capital Trust (callable) 7.29% due Jun. 30, 2049-(2010)	112,590	109,147
270,000	NAV Canada 6.50% due Jun. 1, 2009	293,706	283,933	350,000	Royal Bank of Canada Capital Trust (callable) 5.81% due Dec. 31, 2049-(2013)	374,299	374,406
46,000	NAV Canada 4.43% due Feb. 24, 2011	46,000	46,278	50,000	Score Trust 4.95% due Feb. 20, 2014	50,000	51,429
80,000	NAV Canada 4.71% due Feb. 24, 2016	80,000	81,006	15,000	SNC-Lavalin Group Inc. 7.70% due Sep. 20, 2010	15,021	16,649
40,000	NAV Canada 7.56% due Mar. 1, 2027	43,760	48,898	30,000	Sobeys Inc. 6.06% due Oct. 29, 2035	29,979	30,964
30,000	NAV Canada 7.40% due Jun. 1, 2027	33,804	40,176	40,000	Sobeys Inc. 5.79% due Oct. 6, 2036	40,000	39,784

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
16,000	Summit Real Estate Investment 5.20% due Mar. 1, 2012	15,977	16,137	65,000	TransCanada PipeLines Ltd. 6.27% due Jul. 18, 2028	67,506	81,691
70,000	Sun Life Assurance Company of Canada (callable) 6.15% due Jun. 30, 2022-(2012)	71,155	75,828	50,000	TransCanada PipeLines Ltd. 6.50% due Dec. 9, 2030	57,416	58,208
220,000	Sun Life Capital Trust 6.87% due Dec. 31, 2011	221,400	243,115	85,000	TransCanada PipeLines Ltd. 8.23% due Jan. 16, 2031	93,330	118,684
130,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	129,948	132,566	50,000	UE Waterheater Operating Trust 4.15% due Jan. 30, 2009	50,000	49,777
60,000	Sun Life Financial Services Inc. 5.00% due Jul. 11, 2031	59,903	61,434	30,000	UE Waterheater Operating Trust 4.72% due Jan. 31, 2011	30,000	30,370
95,000	Sun Life Financial Services Inc. (callable) 4.80% due Nov. 23, 2035-(2015)	94,985	95,771	115,000	Union Gas Ltd. 5.19% due Dec. 17, 2007	120,333	115,703
57,000	Talisman Energy Inc. 4.44% due Jan. 27, 2011	56,995	56,889	100,000	Union Gas Ltd. 7.90% due Feb. 24, 2014	111,670	120,131
55,000	Telus Corporation 5.00% due Jun. 3, 2013	54,934	55,682	30,000	Union Gas Ltd. 4.64% due Jun. 30, 2016	29,982	29,980
72,000	Terasen Gas Inc. 5.90% due Feb. 26, 2035	72,623	77,526	25,000	Union Gas Ltd. 4.85% due Apr. 25, 2022	24,953	24,857
20,000	Terasen Gas Inc. 5.55% due Sep. 25, 2036	19,997	20,537	25,000	Union Gas Ltd. 8.65% due Nov. 10, 2025	29,500	35,827
20,000	Textron Financial Canada 4.00% due Apr. 1, 2008	19,988	19,883	50,000	Union Gas Ltd. 5.46% due Sep. 11, 2036	50,000	52,358
18,000	Textron Financial Canada 4.46% due Feb. 17, 2009	17,998	17,987	50,000	Wells Fargo Financial Canada Corporation 3.45% due Jan. 25, 2008	49,999	49,544
30,000	Thomson Corporation 4.50% due Jun. 1, 2009	29,928	30,168	30,000	Wells Fargo Financial Canada Corporation 4.75% due Jun. 29, 2009	30,623	30,330
50,000	Thomson Corporation 4.35% due Dec. 1, 2009	49,920	50,078	50,000	Wells Fargo Financial Canada Corporation 3.60% due Jun. 28, 2010	49,973	48,896
98,000	Thomson Corporation 5.20% due Dec. 1, 2014	97,779	101,853	194,000	Wells Fargo Financial Canada Corporation 4.45% due Feb. 28, 2011	193,636	194,761
125,000	Toronto-Dominion Bank 4.32% due Jan. 18, 2011	125,000	124,964	70,000	Wells Fargo Financial Canada Corporation 4.45% due Sep. 13, 2011	69,994	70,242
93,000	Toronto-Dominion Bank 4.87% due Oct. 28, 2011	93,000	94,910	46,000	Wells Fargo Financial Canada Corporation 4.40% due Dec. 12, 2012	45,926	45,960
300,000	Toronto-Dominion Bank (callable) 4.54% due Sep. 5, 2013-(2008)	299,919	301,161	160,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	159,926	157,797
50,000	Toronto-Dominion Bank 10.05% due Aug. 4, 2014	64,390	67,428	25,000	West Fraser Timber Ltd. 4.94% due Oct. 19, 2009	24,995	25,113
640,000	Toronto-Dominion Bank (callable) 4.97% due Oct. 30, 2104-(2015)	633,707	647,357	200,000	Westcoast Energy Inc. 7.20% due Jan. 26, 2010	227,260	216,101
140,000	Toronto-Dominion Bank (callable) 5.69% due Jun. 3, 2018-(2013)	147,415	149,365	50,000	Westcoast Energy Inc. 7.15% due Mar. 20, 2031	50,325	61,532
50,000	Toronto-Dominion Bank 9.15% due May 26, 2025	62,200	74,715	20,000	Winnipeg Airport Authority Inc. 5.21% due Sep. 28, 2040	20,000	20,230
300,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	300,000	297,080			<u>27,688,916</u>	<u>28,574,593</u>
400,000	Toronto-Dominion Capital Trust (callable) 7.60% due Dec. 31, 2049-(2009)	449,114	435,862		TOTAL BONDS AND DEBENTURES	<u>103,775,239</u>	<u>106,924,240</u>
20,000	Trans Quebec & Maritimes Pipelines Inc. 7.05% due Sep. 22, 2010	20,000	21,783		SHORT-TERM NOTES - 0.8%		
200,000	TransAlta Corporation 6.60% due Oct. 13, 2009	198,100	210,768	881,000	Royal Bank of Canada Term Deposit 4.25% due Jan. 2, 2007	881,000	881,103
35,000	TransCanada PipeLines Ltd. 4.10% due Feb. 20, 2009	34,964	34,816			<u>104,656,239</u>	<u>107,805,343</u>
500,000	TransCanada PipeLines Ltd. 4.30% due Jan. 13, 2011	495,198	499,581		TOTAL INVESTMENT PORTFOLIO		<u>910,352</u>
50,000	TransCanada PipeLines Ltd. 9.50% due May 20, 2011	59,417	59,880		OTHER ASSETS, LESS LIABILITIES - 0.8%		<u>108,715,695</u>
100,000	TransCanada PipeLines Ltd. 5.65% due Jan. 15, 2014	99,764	106,475		TOTAL NET ASSETS - 100.0%		
70,000	TransCanada PipeLines Ltd. 4.65% due Oct. 3, 2016	69,983	69,895				
30,000	TransCanada PipeLines Ltd. 5.10% due Jan. 11, 2017	29,955	30,996				
110,000	TransCanada PipeLines Ltd. 9.45% due Mar. 20, 2018	132,946	154,690				
50,000	TransCanada PipeLines Ltd. 7.90% due Apr. 15, 2027	53,700	66,148				
40,000	TransCanada PipeLines Ltd. 6.28% due May 26, 2028	35,490	45,101				

INCOME FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$ 107,805,343	\$ 96,319,941
Cash	824	119,526
Accrued investment income	1,081,656	914,430
Subscriptions receivable	76,095	292,562
	<u>108,963,918</u>	<u>97,646,459</u>
LIABILITIES		
Distributions payable	7	12
Redemptions payable	183,695	298,132
Accrued expenses	64,521	67,958
	<u>248,223</u>	<u>366,102</u>
Net assets	<u>\$ 108,715,695</u>	<u>\$ 97,280,357</u>
NET ASSETS PER CLASS		
Class A Units	\$ 79,213,360	\$ 77,423,863
Class F Units	\$ 1,450,767	\$ 1,553,766
Class I Units	\$ 28,051,568	\$ 18,302,728
UNITS OUTSTANDING		
Class A Units	7,358,121	7,115,257
Class F Units	134,943	142,985
Class I Units	2,606,532	1,682,472
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.77	\$ 10.88
Class F Units	\$ 10.75	\$ 10.87
Class I Units	\$ 10.76	\$ 10.88

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 5,237,092	\$ 4,861,181
Securities lending	5,024	1,728
	<u>5,242,116</u>	<u>4,862,909</u>
EXPENSES		
Management fees (note 4)	547,664	630,279
Audit fees	19,588	15,558
Directors'/trustee fees	2,755	2,642
Custodian fees	13,983	11,945
Filing fees	17,410	15,902
Legal fees	3,568	1,109
Unitholder reporting	31,228	40,620
Unitholder administration, service fees and GST	196,221	225,573
	<u>832,417</u>	<u>943,628</u>
Absorbed expenses	(27,936)	(16,845)
	<u>804,481</u>	<u>926,783</u>
Net investment income (loss)	<u>4,437,635</u>	<u>3,936,126</u>
Net realized gain (loss) on investments sold	(188,829)	841,812
Change in unrealized appreciation (depreciation) of investments	(878,460)	69,876
Net gain (loss) on investments	<u>(1,067,289)</u>	<u>911,688</u>
Increase (decrease) in net assets from operations	<u>\$ 3,370,346</u>	<u>\$ 4,847,814</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 2,262,857	\$ 4,629,679
Class F Units	\$ 38,934	\$ 60,122
Class I Units	\$ 1,068,555	\$ 158,013
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.31	\$ 0.57
Class F Units	\$ 0.29	\$ 0.62
Class I Units	\$ 0.47	\$ 0.21

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	\$ 77,423,863	\$ 85,104,316
Class F Units	1,553,766	204,305
Class I Units	18,302,728	-
	<u>97,280,357</u>	<u>85,308,621</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	2,262,857	4,629,679
Class F Units	38,934	60,122
Class I Units	1,068,555	158,013
	<u>3,370,346</u>	<u>4,847,814</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(3,159,792)	(3,651,673)
Class F Units	(64,298)	(47,863)
Class I Units	(1,212,289)	(222,056)
	<u>(4,436,379)</u>	<u>(3,921,592)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	23,017,951	27,310,748
Class F Units	279,720	1,365,076
Class I Units	10,071,649	18,324,439
Reinvested distributions		
Class A Units	3,097,793	3,591,213
Class F Units	64,298	47,483
Class I Units	1,212,289	222,056
Payments on redemption		
Class A Units	(23,429,312)	(39,560,420)
Class F Units	(421,653)	(75,357)
Class I Units	(1,391,364)	(179,724)
	<u>12,501,371</u>	<u>11,045,514</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	1,789,497	(7,680,453)
Class F Units	(102,999)	1,349,461
Class I Units	9,748,840	18,302,728
	<u>11,435,338</u>	<u>11,971,736</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	79,213,360	77,423,863
Class F Units	1,450,767	1,553,766
Class I Units	28,051,568	18,302,728
	<u>\$ 108,715,695</u>	<u>\$ 97,280,357</u>

Scotia Mortgage Income Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Interest Rate (%)	Number	Principal Balance (\$)	Amortized Cost (\$)	Market Value (\$)
CONVENTIONAL MORTGAGES – 83.2%				
3.25 – 3.49	2	213,602	211,327	211,421
3.50 – 3.74	3	327,259	323,950	324,349
3.75 – 3.99	47	7,100,091	7,053,455	7,038,759
4.00 – 4.24	38	4,958,008	4,933,560	4,920,254
4.25 – 4.49	46	6,587,683	6,557,404	6,537,315
4.50 – 4.74	155	22,813,375	22,733,922	22,643,518
4.75 – 4.99	520	68,453,976	68,377,981	68,285,636
5.00 – 5.24	505	64,216,579	64,277,045	64,413,045
5.25 – 5.49	733	81,914,383	82,142,351	82,425,128
5.50 – 5.74	473	44,157,270	44,417,484	44,568,109
5.75 – 5.99	216	18,613,417	18,796,979	18,934,426
6.00 – 6.24	142	10,178,110	10,325,083	10,396,730
6.25 – 6.49	121	8,539,058	8,643,418	8,763,939
6.50 – 6.74	72	5,047,710	5,129,539	5,225,122
6.75 – 6.99	69	4,911,180	5,040,132	5,147,503
7.00 – 7.24	24	1,395,675	1,429,235	1,459,419
7.25 – 7.49	26	1,580,487	1,611,010	1,643,377
7.50 – 7.74	9	403,433	413,292	421,696
7.75 – 7.99	6	314,016	317,121	320,859
8.00 – 8.24	6	434,240	442,187	449,435
8.50 – 8.74	2	142,914	143,963	145,131
9.60	1	77,207	77,681	78,021
TOTAL	<u>3,216</u>	<u>352,379,673</u>	<u>353,398,119</u>	<u>354,353,192</u>

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
SHORT-TERM NOTES – 16.5%			
70,755,000	Government of Canada Treasury Bills		
	4.13% to 4.18% due from		
	Jan. 11, 2007 to Apr. 5, 2007	<u>70,090,716</u>	<u>70,323,810</u>
	TOTAL INVESTMENT PORTFOLIO	<u>423,488,835</u>	424,677,002
	OTHER ASSETS, LESS LIABILITIES – 0.3%		<u>1,235,022</u>
	TOTAL NET ASSETS – 100.0%		<u>425,912,024</u>

Scotia Mortgage Income Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$424,677,002	\$388,306,197
Cash	130,768	3,937,348
Accrued investment income	—	876,809
Subscriptions receivable	1,800,761	965,004
Mortgage payments receivable	418,429	6,268,104
	<u>427,026,960</u>	<u>400,353,462</u>
LIABILITIES		
Distributions payable	288	383
Redemptions payable	39,039	83,045
Accrued expenses	257,045	433,452
Unearned income	818,564	—
	<u>1,114,936</u>	<u>516,880</u>
Net assets	<u>\$425,912,024</u>	<u>\$399,836,582</u>
NET ASSETS PER CLASS		
Class A Units	\$218,621,274	\$273,259,018
Class F Units	\$ —	\$ 9,554
Class I Units	<u>\$207,290,750</u>	<u>\$126,568,010</u>
UNITS OUTSTANDING		
Class A Units	20,290,627	25,324,038
Class F Units	—	886
Class I Units	<u>19,275,893</u>	<u>11,746,777</u>
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.77	\$ 10.79
Class F Units	\$ —	\$ 10.78
Class I Units	<u>\$ 10.75</u>	<u>\$ 10.77</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$18,352,622	\$18,988,123
Securities lending	2,044	1,046
	<u>18,354,666</u>	<u>18,989,169</u>
EXPENSES		
Management fees (note 4)	2,991,178	4,468,260
Audit fees	19,970	15,559
Directors'/trustee fees	2,755	2,642
Custodian fees	5,326	7,867
Filing fees	20,650	24,478
Legal fees	7,045	1,109
Unitholder reporting	63,685	94,583
Unitholder administration, service fees and GST	607,822	772,489
Mortgage service fees	1,296,286	1,397,193
	<u>5,014,717</u>	<u>6,784,180</u>
Absorbed expenses	(197,833)	(142,116)
	<u>4,816,884</u>	<u>6,642,064</u>
Net investment income (loss)	<u>13,537,782</u>	<u>12,347,105</u>
Net realized gain (loss) on investments sold	(232,661)	(13,439)
Change in unrealized appreciation (depreciation) of investments	(413,232)	(2,895,930)
Net gain (loss) on investments	<u>(645,893)</u>	<u>(2,909,369)</u>
Increase (decrease) in net assets from operations	<u>\$12,891,889</u>	<u>\$ 9,437,736</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 6,133,624	\$ 7,440,594
Class F Units	\$ 100	\$ 1,132
Class I Units	<u>\$ 6,758,165</u>	<u>\$ 1,996,010</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.28	\$ 0.23
Class F Units	\$ 0.11	\$ 0.30
Class I Units	<u>\$ 0.44</u>	<u>\$ 0.31</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$273,259,018	\$ 390,302,738
Class F Units	9,554	43,080
Class I Units	126,568,010	40,395,906
	<u>399,836,582</u>	<u>430,741,724</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,133,624	7,440,594
Class F Units	100	1,132
Class I Units	6,758,165	1,996,010
	<u>12,891,889</u>	<u>9,437,736</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(6,582,375)	(9,595,273)
Class F Units	(154)	(1,377)
Class I Units	(6,939,407)	(2,879,221)
	<u>(13,521,936)</u>	<u>(12,475,871)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	12,173,820	41,951,366
Class F Units	—	22,567
Class I Units	76,469,187	84,969,018
Reinvested distributions		
Class A Units	6,304,644	9,257,703
Class F Units	154	1,136
Class I Units	6,939,407	2,879,220
Payments on redemption		
Class A Units	(72,667,457)	(166,098,110)
Class F Units	(9,654)	(56,984)
Class I Units	(2,504,612)	(792,923)
	<u>26,705,489</u>	<u>(27,867,007)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(54,637,744)	(117,043,720)
Class F Units	(9,554)	(33,526)
Class I Units	80,722,740	86,172,104
	<u>26,075,442</u>	<u>(30,905,142)</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	218,621,274	273,259,018
Class F Units	—	9,554
Class I Units	207,290,750	126,568,010
	<u>\$425,912,024</u>	<u>\$ 399,836,582</u>

Scotia Canadian Income Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES – 99.3%				BONDS AND DEBENTURES (cont'd)			
Federal Bonds – 60.1%				Corporate Bonds (cont'd)			
180,145,000	Canada Housing Trust 5.10% due Sep. 15, 2007	181,639,215	181,237,357	39,305,000	General Motors Acceptance Corporation of Canada 4.50% due Aug. 13, 2007	39,206,738	39,233,410
425,190,000	Government of Canada 5.00% due Jun. 1, 2014	449,046,647	450,464,531	42,785,000	Genesis Trust 4.00% due Mar. 15, 2010	42,785,000	42,452,505
215,615,000	Government of Canada 4.00% due Jun. 1, 2016	214,935,314	214,267,406	32,000,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	32,111,680	39,217,131
455,885,000	Government of Canada 4.00% due Jun. 1, 2017	449,002,570	451,827,760	31,145,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	31,263,535	38,952,506
61,230,000	Government of Canada 8.00% due Jun. 1, 2023	88,712,663	88,931,568	40,000,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	39,991,360	40,613,383
		<u>1,383,336,409</u>	<u>1,386,728,622</u>	39,000,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	38,990,640	39,508,803
Mortgage-Backed Securities – 10.3%				31,000,000	NAV Canada 4.71% due Feb. 24, 2016	30,909,500	31,389,876
38,000,000	Merrill Lynch Financial Assets Inc. 4.82% due Feb. 12, 2015	37,997,108	38,448,400	29,950,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	30,114,342	31,796,507
38,000,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2016	37,999,506	38,368,220	8,555,000	Sears Canada Inc. 7.45% due May 10, 2010	9,448,173	8,928,931
43,000,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2016	43,052,890	43,856,130	38,000,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	37,984,800	38,750,036
41,000,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2016	40,998,987	41,433,370	22,000,000	Toronto-Dominion Bank (callable) 4.97% due Oct. 30, 2104-(2015)	22,012,525	22,252,899
38,000,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	38,002,584	39,855,920	23,000,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	23,000,000	22,776,141
37,810,000	Schooner Trust 4.36% due Sep. 12, 2015	37,809,622	36,974,777	15,425,000	TransAlta Corporation 4.20% due Dec. 5, 2007	15,413,894	15,398,102
		<u>235,860,697</u>	<u>238,936,817</u>	38,000,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	37,982,520	37,476,709
Corporate Bonds – 28.9%						<u>650,026,929</u>	<u>667,297,878</u>
10,000,000	Bank of Montreal 4.55% due Aug. 1, 2017	9,772,000	9,959,401			<u>2,269,224,035</u>	<u>2,292,963,317</u>
23,880,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	23,871,642	23,967,143	TOTAL BONDS AND DEBENTURES			
38,000,000	Canadian Imperial Bank of Commerce (callable) 4.55% due Mar. 28, 2016-(2011)	37,939,580	38,236,384	SHORT-TERM NOTES – 0.3%			
38,000,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	37,335,380	37,315,843	7,355,000	Government of Canada Treasury Bills 4.08% to 4.17% due from Jan. 11, 2007 to Feb. 22, 2007	7,331,470	7,339,098
38,000,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	37,819,880	37,467,352			<u>2,276,555,505</u>	<u>2,300,302,415</u>
29,000,000	Canadian Utilities Limited 4.80% due Nov. 22, 2021	29,096,960	28,914,374	OTHER ASSETS, LESS LIABILITIES – 0.4%			
43,000,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	42,976,780	42,690,442				<u>8,315,677</u>
				TOTAL NET ASSETS – 100.0%			
							<u>2,308,618,092</u>

INDEX FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contract Price \$	Contractual Market Value in Canadian \$
1,527 (1,375)	US 10 Year Note Future — March 2007 Canada 10 Year Bond Future — March 2007	108 115	191,215,284 (156,502,500)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, \$3,400,000 of the September 15, 2007 Government of Canada Treasury Bill is held on margin.

Scotia Canadian Income Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$2,300,302,415	\$2,186,271,529
Cash	100,485	1,037,931
Accrued investment income	15,152,620	12,573,313
Subscriptions receivable	1,968,342	5,506,959
	<u>2,317,523,862</u>	<u>2,205,389,732</u>
LIABILITIES		
Payable for securities purchased	7,438,168	—
Distributions payable	390	390
Redemptions payable	232,586	175,165
Accrued expenses	973,148	1,133,093
Payable for futures contracts	261,478	—
	<u>8,905,770</u>	<u>1,308,648</u>
Net assets	<u>\$2,308,618,092</u>	<u>\$2,204,081,084</u>
NET ASSETS PER CLASS		
Class A Units	\$ 780,415,565	\$ 865,237,862
Class F Units	\$ 360,874	\$ 453,830
Class I Units	\$ 916,729,909	\$ 642,620,454
Scotia Private Client Units	\$ 611,111,744	\$ 695,768,938
UNITS OUTSTANDING		
Class A Units	60,353,400	66,169,886
Class F Units	27,936	34,739
Class I Units	70,926,743	49,155,962
Scotia Private Client Units	47,277,542	53,218,407
NET ASSET VALUE PER UNIT		
Class A Units	\$ 12.93	\$ 13.08
Class F Units	\$ 12.92	\$ 13.06
Class I Units	\$ 12.93	\$ 13.07
Scotia Private Client Units	\$ 12.93	\$ 13.07

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 99,977,499	\$ 98,550,293
Securities lending	403,656	114,030
	<u>100,381,155</u>	<u>98,664,323</u>
EXPENSES		
Management fees (note 4)	10,383,517	13,712,661
Audit fees	25,328	20,911
Directors'/trustee fees	2,755	2,642
Custodian fees	139,275	131,525
Filing fees	54,047	58,961
Legal fees	24,669	1,109
Unitholder reporting	211,640	329,746
Unitholder administration, service fees and GST	1,744,595	2,139,773
	<u>12,585,826</u>	<u>16,397,328</u>
Absorbed expenses	(136,037)	(179,884)
	<u>12,449,789</u>	<u>16,217,444</u>
Net investment income (loss)	<u>87,931,366</u>	<u>82,446,879</u>
Net realized gain (loss) on investments sold	(6,394,660)	55,842,008
Net realized gain (loss) on foreign exchange	200,769	—
Change in unrealized appreciation (depreciation) of investments	(4,160,956)	(16,782,564)
Net gain (loss) on investments	<u>(10,354,847)</u>	<u>39,059,444</u>
Increase (decrease) in net assets from operations	<u>\$ 77,576,519</u>	<u>\$ 121,506,323</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 20,323,362	\$ 58,215,478
Class F Units	\$ 4,363	\$ 24,420
Class I Units	\$ 34,875,914	\$ 23,889,573
Scotia Private Client Units	\$ 22,372,880	\$ 39,376,852
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.33	\$ 0.71
Class F Units	\$ 0.17	\$ 0.79
Class I Units	\$ 0.57	\$ 0.83
Scotia Private Client Units	\$ 0.49	\$ 0.86

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$ 865,237,862	\$ 1,122,115,361
Class F Units	453,830	250,987
Class I Units	642,620,454	214,338,887
Scotia Private Client Units	695,768,938	541,114,940
	<u>2,204,081,084</u>	<u>1,877,820,175</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	20,323,362	58,215,478
Class F Units	4,363	24,420
Class I Units	34,875,914	23,889,573
Scotia Private Client Units	22,372,880	39,376,852
	<u>77,576,519</u>	<u>121,506,323</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(24,768,985)	(36,321,487)
Class F Units	(12,635)	(16,270)
Class I Units	(36,260,424)	(18,086,097)
Scotia Private Client Units	(26,690,956)	(28,319,922)
From realized gain		
Class A Units	(5,414,480)	(22,327,626)
Class F Units	(2,499)	(11,578)
Class I Units	(6,336,705)	(16,450,299)
Scotia Private Client Units	(4,211,619)	(17,703,523)
	<u>(103,698,303)</u>	<u>(139,236,802)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	120,206,787	227,652,528
Class F Units	206,909	265,328
Class I Units	253,568,195	420,770,220
Scotia Private Client Units	228,483,476	232,875,760
Reinvested distributions		
Class A Units	29,337,246	57,168,051
Class F Units	13,902	27,269
Class I Units	42,597,129	34,536,396
Scotia Private Client Units	30,621,840	46,010,009
Payments on redemption		
Class A Units	(224,506,227)	(541,264,443)
Class F Units	(302,996)	(86,326)
Class I Units	(14,334,654)	(16,378,226)
Scotia Private Client Units	(335,232,815)	(117,585,178)
	<u>130,658,792</u>	<u>343,991,388</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(84,822,297)	(256,877,499)
Class F Units	(92,956)	202,843
Class I Units	274,109,455	428,281,567
Scotia Private Client Units	(84,657,194)	154,653,998
	<u>104,537,008</u>	<u>326,260,909</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	780,415,565	865,237,862
Class F Units	360,874	453,830
Class I Units	916,729,909	642,620,454
Scotia Private Client Units	611,111,744	695,768,938
	<u>\$2,308,618,092</u>	<u>\$2,204,081,084</u>

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Bond Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES – 99.0%			
Federal Bonds – 61.5%			
590,000	Canada Housing Trust 5.10% due Sep. 15, 2007	594,866	593,578
1,300,000	Government of Canada 5.00% due Jun. 1, 2014	1,373,978	1,377,276
640,000	Government of Canada 4.00% due Jun. 1, 2016	637,897	636,000
1,145,000	Government of Canada 4.00% due Jun. 1, 2017	1,128,126	1,134,810
80,000	Government of Canada 8.00% due Jun. 1, 2023	<u>116,538</u>	<u>116,193</u>
		<u>3,851,405</u>	<u>3,857,857</u>
Mortgage-Backed Securities – 5.7%			
150,000	Merrill Lynch Financial Assets Inc. 4.82% due Feb. 12, 2015	150,815	151,770
100,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2016	99,960	100,969
100,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2016	<u>99,996</u>	<u>101,991</u>
		<u>350,771</u>	<u>354,730</u>
Corporate Bonds – 31.8%			
100,000	Bank of Montreal 4.55% due Aug. 1, 2017	95,193	99,594
100,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	99,500	100,365
100,000	Canadian Imperial Bank of Commerce (callable) 4.55% due Mar. 28, 2016-(2011)	99,574	100,622
100,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	97,910	98,200
150,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	143,466	147,897
150,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	151,333	149,557
100,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	99,946	99,280
100,000	Genesis Trust 4.00% due Mar. 15, 2010	97,530	99,223
100,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	119,370	122,554
100,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	116,902	125,068
100,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	99,877	101,533
100,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	100,010	101,305
100,000	NAV Canada 4.71% due Feb. 24, 2016	98,158	101,258
150,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	148,508	152,961
150,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	150,000	148,540
150,000	TransAlta Corporation 4.20% due Dec. 5, 2007	149,678	149,738
100,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	<u>95,557</u>	<u>98,623</u>
		<u>1,962,512</u>	<u>1,996,318</u>
	TOTAL BONDS AND DEBENTURES	<u>6,164,688</u>	<u>6,208,905</u>
SHORT-TERM NOTES – 1.6%			
100,000	Government of Canada Treasury Bills 4.08% due Jan. 11, 2007	<u>99,855</u>	<u>99,866</u>
	TOTAL INVESTMENT PORTFOLIO	<u>6,264,543</u>	<u>6,308,771</u>
	OTHER ASSETS, LESS LIABILITIES – (0.6%)		<u>(37,836)</u>
	TOTAL NET ASSETS – 100.0%		<u>6,270,935</u>

INCOME FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Bond Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$6,308,771	\$ -
Cash	30,355	151,747
Accrued investment income	39,442	-
	<u>6,378,568</u>	<u>151,747</u>
LIABILITIES		
Payable for securities purchased	106,231	-
Distributions payable	-	1,747
Accrued expenses	1,402	-
	<u>107,633</u>	<u>1,747</u>
Net assets	<u>\$6,270,935</u>	<u>\$150,000</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$6,270,935</u>	<u>\$150,000</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>627,311</u>	<u>15,000</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 10.00</u>	<u>\$ 10.00</u>

STATEMENT OF OPERATIONS

For the period ended December 31

	2006	2005*
INVESTMENT INCOME		
Interest	\$176,797	\$ 1,747
Securities lending	546	-
	<u>177,343</u>	<u>1,747</u>
EXPENSES		
Management fees (note 4)	2,709	-
Audit fees	9,250	4,500
Custodian fees	5,083	-
Filing fees	13,588	2,250
Legal fees	2,930	149
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	27,038	833
	<u>70,690</u>	<u>9,875</u>
Absorbed expenses	<u>(60,827)</u>	<u>(9,875)</u>
	<u>9,863</u>	<u>-</u>
Net investment income (loss)	<u>167,480</u>	<u>1,747</u>
Net realized gain (loss) on investments sold	21,051	-
Change in unrealized appreciation (depreciation) of investments	44,216	-
Net gain (loss) on investments	<u>65,267</u>	<u>-</u>
Increase (decrease) in net assets from operations	<u>\$232,747</u>	<u>\$ 1,747</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$232,747</u>	<u>\$ 1,747</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 0.59</u>	<u>\$ 0.12</u>

STATEMENT OF CHANGES IN NET ASSETS

For the period ended December 31

	2006	2005*
NET ASSETS - BEGINNING OF PERIOD		
Scotia Private Client Units	\$ 150,000	\$ -
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>232,747</u>	<u>1,747</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	(157,529)	(1,747)
From realized gain		
Scotia Private Client Units	(57,393)	-
	<u>(214,922)</u>	<u>(1,747)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	7,580,894	150,000
Reinvested distributions		
Scotia Private Client Units	214,922	-
Payments on redemption		
Scotia Private Client Units	(1,692,706)	-
	<u>6,103,110</u>	<u>150,000</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>6,120,935</u>	<u>150,000</u>
TOTAL NET ASSETS - END OF PERIOD		
Scotia Private Client Units	<u>\$ 6,270,935</u>	<u>\$150,000</u>

* For the period since inception to December 31, 2005

Scotia Cassels Canadian Corporate Bond Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES – 98.6%				BONDS AND DEBENTURES (cont'd)			
Federal Bonds – 2.1%				Corporate Bonds (cont'd)			
10,000,000	Canada Housing Trust			15,000,000	Landsbanki Islands HF		
	3.55% due Sep. 15, 2010	9,775,716	9,818,141		4.40% due Jan. 18, 2010	14,971,500	14,913,027
4,000,000	Government of Canada			10,000,000	Manulife Financial Corporation		
	4.00% due Jun. 1, 2017	<u>3,994,800</u>	<u>3,964,401</u>		4.67% due Mar. 28, 2013	9,997,600	10,130,462
		<u>13,770,516</u>	<u>13,782,542</u>	15,000,000	Merrill Lynch Canada Finance Company		
					5.35% due Nov. 19, 2007	15,686,385	15,122,045
Mortgage-Backed Securities – 14.7%				10,000,000	National Australia Bank Ltd. (callable)		
18,000,000	Merrill Lynch Financial Assets Inc.				4.55% due Sep. 21, 2016-(2011)	10,061,000	10,028,563
	5.44% due Mar. 12, 2036	18,506,587	18,879,120	15,000,000	National Bank of Canada (callable)		
15,000,000	Merrill Lynch Financial Assets Inc.				4.46% due Nov. 2, 2016-(2011)	15,000,000	15,008,624
	4.82% due Feb. 12, 2015	14,998,859	15,177,000	15,000,000	NAV Canada		
10,000,000	Merrill Lynch Financial Assets Inc.				4.71% due Feb. 24, 2016	14,782,500	15,188,649
	4.83% due Feb. 12, 2016	9,999,873	10,096,900	10,000,000	Nordea Bank AB (callable)		
18,000,000	Merrill Lynch Financial Assets Inc.				3.95% due Aug. 5, 2015-(2010)	9,800,300	9,859,000
	4.98% due Jun. 12, 2016	18,054,016	18,358,380	13,650,000	Renaissance Energy Ltd.		
18,000,000	Merrill Lynch Financial Assets Inc.				6.95% due Jul. 14, 2009	14,894,491	14,491,563
	4.81% due Oct. 12, 2016	17,999,555	18,190,260	15,000,000	Royal Bank of Canada		
15,000,000	Schooner Trust				5.95% due Jun. 18, 2014	15,970,600	16,195,902
	4.36% due Sep. 12, 2015	<u>14,878,996</u>	<u>14,668,650</u>	15,000,000	Royal Bank of Canada (callable)		
		<u>94,437,886</u>	<u>95,370,310</u>		3.70% due Jun. 24, 2015-(2010)	14,932,800	14,722,649
Corporate Bonds – 81.8%				15,000,000	Royal Bank of Scotland		
15,000,000	Bank of America Corporation				4.25% due Mar. 30, 2010	14,964,000	14,947,066
	4.36% due Sep. 21, 2015	14,991,600	14,711,760	6,400,000	Sears Canada Inc.		
10,000,000	Bank of Ireland (callable)				7.45% due May 10, 2010	7,074,826	6,679,738
	3.80% due Sep. 22, 2015-(2010)	9,779,200	9,791,732	12,000,000	Talisman Energy Inc.		
15,000,000	BC Gas Utility Ltd.				4.44% due Jan. 27, 2011	11,998,920	11,976,528
	6.50% due Oct. 16, 2007	15,495,000	15,238,241	18,000,000	Toronto-Dominion Bank (callable)		
10,000,000	Bell Canada				4.78% due Dec. 14, 2105-(2016)	18,000,000	17,824,806
	6.15% due Jun. 15, 2009	10,468,880	10,404,764	10,000,000	TransAlta Corporation		
15,000,000	Brascan Power Corporation				6.60% due Oct. 13, 2009	10,680,103	10,538,401
	4.65% due Dec. 16, 2009	15,015,400	15,054,738	15,000,000	Wells Fargo Financial Canada Corporation		
15,000,000	Cameco Corporation				4.38% due Jun. 30, 2015	<u>14,993,100</u>	<u>14,793,438</u>
	4.70% due Sep. 16, 2015	15,049,950	14,632,630			<u>534,597,349</u>	<u>530,051,349</u>
15,000,000	Canadian Imperial Bank of Commerce (callable)				TOTAL BONDS AND DEBENTURES	<u>642,805,751</u>	<u>639,204,201</u>
	4.55% due Mar. 28, 2016-(2011)	14,976,150	15,093,310				
15,000,000	Canadian Natural Resources Ltd.			SHORT-TERM NOTES – 0.5%			
	4.95% due Jun. 1, 2015	14,678,600	14,819,254	3,520,000	Government of Canada Treasury Bills		
15,000,000	Caterpillar Financial Services Ltd.				4.08% to 4.14% due from		
	4.34% due Dec. 6, 2010	14,995,950	15,029,382		Jan. 11, 2007 to Jan. 25, 2007	<u>3,510,035</u>	<u>3,512,701</u>
15,000,000	Citigroup Inc. (callable)				TOTAL INVESTMENT PORTFOLIO	<u>646,315,786</u>	<u>642,716,902</u>
	4.65% due Oct. 11, 2022-(2017)	14,928,900	14,789,744		OTHER ASSETS, LESS LIABILITIES – 0.9%		5,473,668
11,000,000	Dofasco Inc.				TOTAL NET ASSETS – 100.0%		<u>648,190,570</u>
	7.55% due Oct. 1, 2008	12,313,510	11,484,229				
15,000,000	EnCana Corporation						
	3.60% due Sep. 15, 2008	14,941,420	14,826,446				
13,000,000	Epcor Utilities Inc.						
	6.20% due Jun. 2, 2008	13,360,050	13,330,468				
10,000,000	Fortis Inc.						
	7.40% due Oct. 25, 2010	11,424,144	10,966,601				
18,000,000	General Electric Capital Canada Funding Company						
	4.55% due Jan. 17, 2017	17,990,280	17,870,417				
13,000,000	General Motors Acceptance Corporation of Canada						
	4.50% due Aug. 13, 2007	12,967,500	12,976,322				
15,000,000	Genesis Trust						
	4.00% due Mar. 15, 2010	15,012,000	14,883,430				
15,000,000	Goldman Sachs Group Inc.						
	4.80% due Jun. 1, 2011	15,098,100	15,212,796				
15,000,000	Greater Toronto Airports Authority						
	5.95% due Dec. 3, 2007	15,504,300	15,217,441				
18,000,000	HSBC Financial Corporation Ltd.						
	4.80% due Apr. 13, 2011	18,038,700	18,276,025				
18,000,000	ING Bank of Canada (callable)						
	4.30% due Dec. 5, 2016-(2011)	17,981,640	17,938,800				
15,000,000	John Deere Credit Inc.						
	6.75% due Apr. 3, 2007	15,777,950	15,082,358				

INCOME FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Corporate Bond Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$642,716,902	\$543,914,301
Cash	100,054	855,084
Accrued investment income	5,450,871	5,108,439
	<u>648,267,827</u>	<u>549,877,824</u>
LIABILITIES		
Payable for securities purchased	–	14,170,725
Accrued expenses	77,257	31,935
	<u>77,257</u>	<u>14,202,660</u>
Net assets	<u>\$648,190,570</u>	<u>\$535,675,164</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$648,190,570</u>	<u>\$535,675,164</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>64,386,008</u>	<u>53,120,958</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 10.07</u>	<u>\$ 10.08</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$28,644,932	\$23,878,494
Securities lending	13,328	3,242
	<u>28,658,260</u>	<u>23,881,736</u>
EXPENSES		
Management fees (note 4)	412,956	392,479
Audit fees	20,045	18,039
Custodian fees	40,116	23,229
Filing fees	14,189	14,114
Legal fees	3,162	1,109
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	65,360	62,552
	<u>565,920</u>	<u>513,665</u>
Absorbed expenses	(20,890)	–
	<u>545,030</u>	<u>513,665</u>
Net investment income (loss)	<u>28,113,230</u>	<u>23,368,071</u>
Net realized gain (loss) on investments sold	(1,559,964)	3,445,571
Change in unrealized appreciation (depreciation) of investments	928,428	(7,174,149)
Net gain (loss) on investments	<u>(631,536)</u>	<u>(3,728,578)</u>
Increase (decrease) in net assets from operations	<u>\$27,481,694</u>	<u>\$19,639,493</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$27,481,694</u>	<u>\$19,639,493</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 0.46</u>	<u>\$ 0.42</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	\$ 535,675,164	\$ 404,780,786
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>27,481,694</u>	<u>19,639,493</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	(27,972,274)	(23,253,222)
From realized gain		
Scotia Private Client Units	–	(4,176,346)
	<u>(27,972,274)</u>	<u>(27,429,568)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	195,137,319	224,760,570
Reinvested distributions		
Scotia Private Client Units	27,859,446	27,428,371
Payments on redemption		
Scotia Private Client Units	(109,990,779)	(113,504,488)
	<u>113,005,986</u>	<u>138,684,453</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>112,515,406</u>	<u>130,894,378</u>
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	<u>\$ 648,190,570</u>	<u>\$ 535,675,164</u>

Scotia CanAm U.S. \$ Income Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
U.S.\$		U.S.\$	U.S.\$
BONDS AND DEBENTURES – 98.1%			
Federal Bonds – 3.8%			
600,000	Government of Canada 5.25% due Nov. 5, 2008	593,701	603,215
Provincial Bonds – 62.6%			
2,000,000	Province of British Columbia 4.30% due May 30, 2013	2,012,960	1,922,770
2,000,000	Province of New Brunswick 7.63% due Feb. 15, 2013	2,418,800	2,265,891
2,000,000	Province of Nova Scotia 5.75% due Feb. 27, 2012	2,197,454	2,060,758
2,000,000	Province of Ontario 4.75% due Jan. 19, 2016	1,979,920	1,948,038
1,500,000	Province of Saskatchewan 7.38% due Jul. 15, 2013	1,727,802	1,684,809
		<u>10,336,936</u>	<u>9,882,266</u>
Corporate Bonds – 31.7%			
500,000	ChevronTexaco Corporation 3.50% due Sep. 17, 2007	496,750	493,738
650,000	Citigroup Inc. 6.50% due Jan. 18, 2011	658,450	680,728
750,000	General Electric Capital Corporation 7.38% due Jan. 19, 2010	806,040	796,219
300,000	General Motors Acceptance Corporation of Canada 6.13% due Feb. 1, 2007	313,716	299,550
500,000	Household Financial Corporation Ltd. 6.38% due Oct. 15, 2011	491,525	522,110
500,000	John Deere Capital Corporation 3.90% due Jan. 15, 2008	498,250	493,209
500,000	Petro-Canada 5.00% due Nov. 15, 2014	493,313	483,891
750,000	Toronto-Dominion Bank 6.15% due Oct. 15, 2008	760,312	759,815
500,000	Wal-Mart Stores Inc. 4.55% due May 1, 2013	484,085	482,412
		<u>5,002,441</u>	<u>5,011,672</u>
	TOTAL INVESTMENT PORTFOLIO	<u>15,933,078</u>	15,497,153
	OTHER ASSETS, LESS LIABILITIES – 1.9%		<u>302,587</u>
	TOTAL NET ASSETS – 100.0%		<u>15,799,740</u>

Scotia CanAm U.S. \$ Income Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
	U.S.\$	U.S.\$
ASSETS		
Investments at market value	\$15,497,153	\$19,168,169
Cash	43,338	73,457
Accrued investment income	287,635	328,318
	<u>15,828,126</u>	<u>19,569,944</u>
LIABILITIES		
Distributions payable	24	41
Redemptions payable	5,097	58,794
Accrued expenses	23,265	29,575
	<u>28,386</u>	<u>88,410</u>
Net assets	<u>\$15,799,740</u>	<u>\$19,481,534</u>
NET ASSETS PER CLASS		
Class A Units	\$15,787,327	\$19,469,449
Class F Units	\$ 12,413	\$ 12,085
UNITS OUTSTANDING		
Class A Units	1,528,561	1,849,472
Class F Units	1,203	1,149
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.33	\$ 10.53
Class F Units	\$ 10.32	\$ 10.52

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
	U.S.\$	U.S.\$
INVESTMENT INCOME		
Interest	\$ 953,081	\$1,149,817
EXPENSES		
Management fees (note 4)	256,508	317,215
Audit fees	11,127	7,735
Directors'/trustee fees	2,428	2,194
Custodian fees	1,672	2,046
Filing fees	13,506	13,814
Legal fees	1,708	921
Unitholder reporting	14,040	8,366
Unitholder administration, service fees and GST	74,844	76,652
	<u>375,833</u>	<u>428,943</u>
Absorbed expenses	<u>(62,505)</u>	<u>(39,728)</u>
	<u>313,328</u>	<u>389,215</u>
Net investment income (loss)	<u>639,753</u>	<u>760,602</u>
Net realized gain (loss) on investments sold	(247,796)	(27,292)
Change in unrealized appreciation (depreciation) of investments	(104,855)	(655,303)
Net gain (loss) on investments	<u>(352,651)</u>	<u>(682,595)</u>
Increase (decrease) in net assets from operations	<u>\$ 287,102</u>	<u>\$ 78,007</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 286,704	\$ 77,867
Class F Units	\$ 398	\$ 140
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.17	\$ 0.04
Class F Units	\$ 0.32	\$ 0.12

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
	U.S.\$	U.S.\$
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$19,469,449	\$23,378,386
Class F Units	12,085	11,945
	<u>19,481,534</u>	<u>23,390,331</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	286,704	77,867
Class F Units	398	140
	<u>287,102</u>	<u>78,007</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(646,395)	(761,573)
Class F Units	(611)	(531)
	<u>(647,006)</u>	<u>(762,104)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,330,815	3,074,127
Class F Units	12,638	–
Reinvested distributions		
Class A Units	623,877	739,675
Class F Units	611	531
Payments on redemption		
Class A Units	(5,277,123)	(7,039,033)
Class F Units	(12,708)	–
	<u>(3,321,890)</u>	<u>(3,224,700)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,682,122)	(3,908,937)
Class F Units	328	140
	<u>(3,681,794)</u>	<u>(3,908,797)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	15,787,327	19,469,449
Class F Units	12,413	12,085
	<u>\$15,799,740</u>	<u>\$19,481,534</u>

The accompanying notes are an integral part of the financial statements

Scotia CanGlobal Income Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES – 91.7%				BONDS AND DEBENTURES (cont'd)			
Canadian Dollar – 7.2%				British Pound – 5.3%			
3,000,000	Government of Canada 4.50% due Jun. 1, 2015	3,118,350	3,089,001	500,000	Eurofima 6.13% due Oct. 14, 2014	1,175,152	1,212,558
5,500,000	Government of Canada 5.75% due Jun. 1, 2033	6,730,250	6,916,800	1,375,000	Government of Ontario 5.38% due Jul. 28, 2009	3,116,247	3,132,610
		<u>9,848,600</u>	<u>10,005,801</u>	1,250,000	UK Treasury Gilt 5.00% due Mar. 7, 2025	2,859,991	3,028,460
United States Dollar – 38.5%							
8,500,000	Euro Dollar Currency Put Options \$1.303 Feb. 26, 2007	–	68,636	Euro – 33.4%			
8,500,000	Euro Dollar Currency Put Options \$1.2876 Feb. 26, 2007	–	33,724	5,850,000	European Investment Bank 4.63% due Apr. 15, 2020	10,220,557	9,436,424
(8,500,000)	Euro Dollar Currency Written Call Options \$1.37 Feb. 26, 2007	–	(24,770)	3,380,845	Government of Canada 4.88% due Jul. 7, 2008	5,265,383	5,267,098
(8,500,000)	Euro Dollar Currency Written Call Options \$1.35 Feb. 26, 2007	–	(52,740)	4,650,000	Government of Canada 4.50% due Apr. 28, 2009	6,280,283	7,241,642
2,500,000	Canada Mortgage & Housing Corporation 3.38% due Dec. 1, 2008	3,038,579	2,819,816	3,500,000	Inter-American Development Bank 5.50% due Mar. 30, 2010	6,321,402	5,625,801
500,000	FNMA 7.13% due Jan. 15, 2030	796,313	732,184	12,250,000	Province of Ontario 4.13% due May 14, 2013	19,364,241	18,887,554
1,150,000	Household Financial Corporation Ltd. 6.38% due Oct. 15, 2011	1,813,774	1,399,237	<u>47,451,866</u>			
13,000,000	Province of British Columbia 4.30% due May 30, 2013	15,305,552	14,562,705	<u>131,606,049</u>			
1,000,000	Province of Manitoba 9.25% due Apr. 1, 2020	1,843,243	1,616,904	TOTAL BONDS AND DEBENTURES			
500,000	Province of Manitoba 8.88% due Sep. 15, 2021	800,367	801,802	SHORT-TERM NOTES – 6.2%			
3,283,000	Province of New Brunswick 7.63% due Feb. 15, 2013	5,299,058	4,333,925	1,400,000	Government of Canada Treasury Bills 4.08% to 4.13% due from Jan. 11, 2007 to Jan. 25, 2007	1,396,050	1,397,641
7,500,000	Province of Nova Scotia 5.75% due Feb. 27, 2012	9,137,589	9,004,499	1,965,000	Canadian Wheat Board Commercial Paper (US) 5.12% to 5.17% due from Jan. 17, 2007 to Feb. 26, 2007	2,240,607	2,274,603
4,500,000	Province of Nova Scotia 8.88% due Jul. 1, 2019	6,987,962	6,957,076	4,325,000	Business Development Bank Commercial Paper (US) 5.13% to 5.18% due from Feb. 13, 2007 to Mar. 16, 2007	4,911,991	4,987,022
4,250,000	Province of Ontario 5.00% due Oct. 18, 2011	4,805,028	4,945,896	<u>8,548,648</u>			
3,000,000	Province of Saskatchewan 7.38% due Jul. 15, 2013	4,289,979	3,926,286	TOTAL SHORT-TERM NOTES			
2,000,000	Toronto-Dominion Bank 6.15% due Oct. 15, 2008	2,756,601	2,360,904	TOTAL INVESTMENT PORTFOLIO			
		<u>56,874,045</u>	<u>53,486,084</u>	<u>140,154,637</u>			
Australian Dollar – 7.3%				OTHER ASSETS, LESS LIABILITIES – 2.1%			
3,000,000	European Investment Bank 5.75% due Sep. 15, 2009	2,927,416	2,713,787	TOTAL NET ASSETS – 100.0%			
2,300,000	General Electric Capital Corporation 5.63% due Mar. 30, 2007	2,261,675	2,107,832	<u>138,984,284</u>			
6,000,000	Province of Ontario 5.50% due Jul. 13, 2012	5,091,057	5,276,720				
		<u>10,280,148</u>	<u>10,098,339</u>				

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/Depreciation
Jan. 31, 2007	Japanese Yen	715,666,000	Canadian Dollar	7,000,000	7,019,790	19,790
Jan. 31, 2007	Japanese Yen	1,026,267,000	Australian Dollar	11,000,000	10,090,303	(14,140)
Jan. 31, 2007	Japanese Yen	2,131,470,000	U.S. Dollar	18,000,000	20,931,256	(42,388)
Jan. 31, 2007	U.S. Dollar	5,100,000	Euro	3,872,290	5,937,820	(16,435)
					<u>43,979,169</u>	<u>(53,173)</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia CanGlobal Income Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$136,081,637	\$105,628,210
Cash	109,299	109,815
Accrued investment income	2,643,969	1,937,665
Subscriptions receivable	249,479	767,935
	<u>139,084,384</u>	<u>108,443,625</u>
LIABILITIES		
Distributions payable	7	13
Redemptions payable	-	2,113
Accrued expenses	46,920	69,032
Payable for currency forward contracts	53,173	293,327
	<u>100,100</u>	<u>364,485</u>
Net assets	<u>\$138,984,284</u>	<u>\$108,079,140</u>
NET ASSETS PER CLASS		
Class A Units	\$ 24,560,096	\$ 33,302,652
Class I Units	\$114,424,188	\$ 74,776,488
UNITS OUTSTANDING		
Class A Units	2,920,680	3,895,992
Class I Units	13,582,921	8,727,587
NET ASSET VALUE PER UNIT		
Class A Units	\$ 8.41	\$ 8.55
Class I Units	\$ 8.42	\$ 8.57

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 6,074,576	\$ 4,470,364
Securities lending	8,880	811
Foreign withholding taxes	-	(9,861)
	<u>6,083,456</u>	<u>4,461,314</u>
EXPENSES		
Management fees (note 4)	397,748	908,752
Audit fees	19,428	15,559
Directors'/trustee fees	2,755	2,642
Custodian fees	9,309	8,310
Filing fees	17,384	19,142
Legal fees	4,237	1,109
Unitholder reporting	37,559	78,807
Unitholder administration, service fees and GST	269,173	416,693
	<u>757,593</u>	<u>1,451,014</u>
Absorbed expenses	(148,385)	(122,438)
	<u>609,208</u>	<u>1,328,576</u>
Net investment income (loss)	<u>5,474,248</u>	<u>3,132,738</u>
Net realized gain (loss) on investments sold	(6,340,845)	(2,737,912)
Net realized gain (loss) on foreign exchange	(129,620)	(139,626)
Change in unrealized appreciation (depreciation) of investments	4,688,728	(10,596,227)
Change in unrealized appreciation (depreciation) of currency forward	240,154	(189,305)
Net gain (loss) on investments	<u>(1,541,583)</u>	<u>(13,663,070)</u>
Increase (decrease) in net assets from operations	<u>\$ 3,932,665</u>	<u>\$(10,530,332)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 140,406	\$ (6,464,096)
Class F Units	\$ -	\$ (1,511)
Class I Units	\$ 3,792,259	\$ (4,064,725)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.04	\$ (1.01)
Class F Units	\$ -	\$ -
Class I Units	\$ 0.33	\$ (0.96)

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	\$ 33,302,652	\$ 73,490,619
Class F Units	-	35,108
Class I Units	74,776,488	21,642,435
	<u>108,079,140</u>	<u>95,168,162</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	140,406	(6,464,096)
Class F Units	-	(1,511)
Class I Units	3,792,259	(4,064,725)
	<u>3,932,665</u>	<u>(10,530,332)</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(735,513)	(1,365,868)
Class F Units	-	(551)
Class I Units	(4,632,573)	(1,709,360)
	<u>(5,368,086)</u>	<u>(3,075,779)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,827,352	7,394,082
Class F Units	-	-
Class I Units	37,821,136	57,757,915
Reinvested distributions		
Class A Units	731,821	1,361,196
Class F Units	-	551
Class I Units	4,632,573	1,709,360
Payments on redemption		
Class A Units	(10,706,622)	(41,113,281)
Class F Units	-	(33,597)
Class I Units	(1,965,695)	(559,137)
	<u>32,340,565</u>	<u>26,517,089</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(8,742,556)	(40,187,967)
Class F Units	-	(35,108)
Class I Units	39,647,700	53,134,053
	<u>30,905,144</u>	<u>12,910,978</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	24,560,096	33,302,652
Class F Units	-	-
Class I Units	114,424,188	74,776,488
	<u>\$138,984,284</u>	<u>\$108,079,140</u>

The accompanying notes are an integral part of the financial statements

Scotia Diversified Monthly Income Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	
EQUITIES – 49.3%			EQUITIES (cont'd)				
CANADIAN EQUITIES – 45.3%			CANADIAN EQUITIES (cont'd)				
Materials – 1.3%			Income Trust Units (cont'd)				
100,000 Norbord Inc.	883,500	891,000	50,000	Newalta Income Fund	1,382,414	1,407,500	
20,000 Teck Cominco Ltd. Class B	1,778,422	1,758,000	75,000	Newport Partners Income Fund	704,975	434,250	
	<u>2,661,922</u>	<u>2,649,000</u>	35,000	Northland Power Income Fund	511,700	457,450	
Consumer Discretionary – 0.1%			10,000	Penn West Energy Trust	349,567	355,700	
12,120 Quebecor World Inc. 6.152% 1st Pref. Series 3	306,342	184,103	10,000	Payto Energy Trust	233,750	177,000	
Financials – 14.7%			55,000	RioCan Real Estate Investment Trust	1,313,417	1,383,250	
45,000 Bank of Montreal	3,032,624	3,105,000	50,000	Royal Utilities Income Fund Trust	500,000	567,500	
50,000 Bank of Nova Scotia, The	2,379,487	2,605,000	68,850	SCITI Trust	1,201,696	1,012,095	
35,000 Canadian Imperial Bank of Commerce	2,782,675	3,440,500	110,000	Student Transportation of America Inc. -IPS	1,285,900	1,237,500	
25,500 First Capital Realty Inc.	521,887	708,390	95,000	Teranet Income Fund	1,000,350	844,550	
65,000 Great-West Lifeco Inc.	1,960,788	2,197,000	100,000	TransAlta Power LP Trust	726,148	747,000	
3,280 Great-West Lifeco Inc. 4.80% 1st Pref. Series E	91,244	90,200	75,000	Transforce Income Fund	1,151,922	1,011,750	
20,000 IGM Financial Inc.	925,800	982,000	100,000	Trinidad Energy Services Income Trust	1,426,079	1,380,000	
60,000 Manulife Financial Corporation	2,060,733	2,361,000	79,820	Yellow Pages Income Fund	1,295,987	1,027,283	
30,000 National Bank of Canada	1,838,486	1,975,200			<u>43,570,651</u>	<u>42,038,514</u>	
28,000 Power Financial Corporation	889,860	1,055,320		TOTAL CANADIAN EQUITIES	86,989,141	89,716,103	
70,000 Royal Bank of Canada	3,253,807	3,885,000					
38,000 Sun Life Financial Services of Canada Inc.	1,724,405	1,874,160		FOREIGN EQUITIES – 4.0%			
70,000 Toronto-Dominion Bank	4,242,488	4,880,400		United States – 4.0%			
	<u>25,704,284</u>	<u>29,159,170</u>		15,000	Dominion Resources Inc.	1,332,466	1,465,359
Telecommunication Services – 4.4%				31,500	Duke Energy Corporation	1,007,567	1,218,936
85,000 BCE Inc.	2,508,100	2,669,000		10,000	Exelon Corporation	635,894	721,144
3,930 BCE Inc. 1st Pref. Series S	98,942	98,604		35,000	Pfizer Inc.	1,072,806	1,056,256
75,000 Bell Alliant Regional Communications	2,072,085	2,022,000		65,000	Seaspac Corporation	1,549,311	1,751,066
28,500 Manitoba Telecom Services Inc.	1,250,944	1,322,400		20,000	U.S. Bancorp	765,865	843,373
50,000 Telus Corporation Non-Voting	3,102,000	2,601,500		12,000	Wachovia Corporation	756,874	796,299
	<u>9,032,071</u>	<u>8,713,504</u>			TOTAL FOREIGN EQUITIES	7,120,783	7,852,433
Utilities – 3.5%					TOTAL EQUITIES	94,109,924	97,568,536
7,880 Canadian Utilities Ltd. Class A	287,171	376,112					
42,000 Emera Inc.	804,219	949,200		BONDS AND DEBENTURES – 19.3%			
30,000 Enbridge Inc.	1,025,050	1,208,100		Federal Bonds – 13.1%			
50,000 Fortis Inc.	1,102,000	1,488,500		4,135,000	Canada Housing Trust		
65,000 TransAlta Corporation	1,524,809	1,731,600		5.10% due Sep. 15, 2007	4,167,766	4,160,074	
30,000 TransCanada Corporation	970,622	1,218,300		7,850,000	Government of Canada		
	<u>5,713,871</u>	<u>6,971,812</u>		5.00% due Jun. 1, 2014	8,316,509	8,316,627	
Income Trust Units – 21.3%				4,020,000	Government of Canada		
40,000 Aeroplan Income Fund	533,989	678,800		4.00% due Jun. 1, 2016	4,007,548	3,994,875	
75,000 AltaGas Income Trust	1,934,609	1,965,000		8,195,000	Government of Canada		
100,000 Arctic Glacier Income Fund	1,354,957	1,252,000		4.00% due Jun. 1, 2017	8,107,434	8,122,067	
75,000 Bell Nordiq Income Fund	1,299,248	1,118,250		860,000	Government of Canada		
30,000 BFI Canada Income Fund	808,738	807,000		8.00% due Jun. 1, 2023	1,254,768	1,249,080	
6,760 Bonavista Energy Trust	218,939	190,294			<u>25,854,025</u>	<u>25,842,723</u>	
100,000 Canadian Apartment Properties Real Estate Investment Trust	1,738,067	1,858,000		Mortgage-Backed Securities – 1.8%			
85,000 Canadian Oil Sands Trust	2,563,817	2,771,850		750,000	Merrill Lynch Financial Assets Inc.		
60,000 CCS Income Trust	2,148,390	2,265,000		5.44% due Mar. 12, 2036	794,925	786,630	
100,000 Chartwell Seniors Housing Real Estate Investment Trust	1,418,456	1,394,000		500,000	Merrill Lynch Financial Assets Inc.		
26,500 CI Financial Income Fund	777,153	708,080		4.82% due Feb. 12, 2015	505,691	505,900	
50,000 CML Healthcare Income Fund	753,495	697,500		500,000	Merrill Lynch Financial Assets Inc.		
100,000 Cominar Real Estate Investment Trust	2,030,342	2,250,000		4.83% due Feb. 12, 2016	500,698	504,845	
150,000 Connors Brothers Income Fund	1,551,229	1,575,000		700,000	Merrill Lynch Financial Assets Inc.		
86,000 Duke Energy Income Fund	1,033,674	894,400		4.98% due Jun. 12, 2016	711,304	713,937	
55,000 Energy Savings Income Fund	1,043,352	739,750		750,000	Merrill Lynch Financial Assets Inc.		
190,000 Eveready Income Fund Trust	1,330,227	1,206,500		4.81% due Oct. 12, 2016	755,875	757,928	
20,000 Fairborne Energy Ltd. Trust	297,800	209,000		500,000	Schooner Trust		
100,000 Fort Chicago Energy Partners LP	1,233,139	1,147,000		4.36% due Sep. 12, 2015	493,149	488,955	
81,800 Great Lakes Hydro Income Fund	1,540,531	1,570,560			<u>3,761,642</u>	<u>3,758,195</u>	
40,000 Inter Pipeline Fund LP	375,616	361,600		Corporate Bonds – 4.4%			
39,940 Keyera Facilities Income Fund	872,577	664,602		400,000	Brascan Power Corporation		
35,000 Labrador Iron Ore Royalty Income Fund	858,816	868,000		4.65% due Dec. 16, 2009	399,610	401,460	
150,000 Mullen Group Income Fund	2,769,585	2,803,500		500,000	Canadian Imperial Bank of Commerce (callable)		
				4.55% due Mar. 28, 2016-(2011)	499,824	503,110	

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Diversified Monthly Income Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
400,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	390,595	392,798	500,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	501,385	509,869
700,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	706,060	697,933	765,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	765,000	757,554
500,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	486,285	492,991	700,000	TransAlta Corporation 4.20% due Dec. 5, 2007	697,746	698,779
500,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	499,730	496,400	400,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	393,448	394,492
195,000	General Motors Acceptance Corporation of Canada 4.50% due Aug. 13, 2007	178,602	194,645			8,646,736	8,699,162
400,000	Genesis Trust 4.00% due Mar. 15, 2010	394,997	396,891		TOTAL BONDS AND DEBENTURES	38,262,403	38,300,080
500,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	614,719	612,768		FIXED INCOME - 25.1%	49,732,857	49,660,395
500,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	611,941	625,341		4,617,896 Scotia Mortgage Income Fund Class I		
500,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	501,385	507,667		SHORT-TERM NOTES - 7.4%		
400,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	397,947	405,218	14,625,000	Government of Canada Treasury Bills 4.08% to 4.18% due from Jan. 11, 2007 to Apr. 5, 2007	14,487,771	14,550,182
400,000	NAV Canada 4.71% due Feb. 24, 2016	398,784	405,031		TOTAL INVESTMENT PORTFOLIO	196,592,955	200,079,193
150,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	163,464	159,248		OTHER ASSETS, LESS LIABILITIES - (1.1%)		(2,272,345)
45,000	Sears Canada Inc. 7.45% due May 10, 2010	45,214	46,967		TOTAL NET ASSETS - 100.0%		197,806,848

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contract Price \$	Contractual Market Value in Canadian \$
23	US 10 Year Note Future — March, 2007	108	2,880,125
(20)	Canada 10 Year Bond Future — March, 2007	115	(2,276,400)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, \$100,000 of the September 15, 2007 Canada Housing Trust 5.10% is held on margin.

Scotia Diversified Monthly Income Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$200,079,193	\$57,706,016
Cash	63,649	87,812
Accrued investment income	430,895	237,959
Subscriptions receivable	12,051	150
Receivable from futures contracts	94,318	—
	<u>200,680,106</u>	<u>58,031,937</u>
LIABILITIES		
Payable for securities purchased	2,594,429	—
Distributions payable	50,835	12,339
Redemptions payable	6,706	—
Accrued expenses	221,288	71,461
	<u>2,873,258</u>	<u>83,800</u>
Net assets	<u>\$197,806,848</u>	<u>\$57,948,137</u>
NET ASSETS PER CLASS		
Class A Units	\$197,806,195	\$57,945,931
Class F Units	\$ 653	\$ 2,206
UNITS OUTSTANDING		
Class A Units	18,767,215	5,606,685
Class F Units	62	213
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.54	\$ 10.34
Class F Units	\$ 10.56	\$ 10.36

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends	\$1,654,252	\$ 360,050
Interest	2,056,370	166,106
Interest distributions received	1,169,329	277,785
Securities lending	36,753	3,953
Foreign withholding taxes	(32,196)	(2,984)
	<u>4,884,508</u>	<u>804,910</u>
EXPENSES		
Management fees (note 4)	1,376,447	190,470
Audit fees	20,995	14,890
Directors/trustee fees	2,755	1,205
Custodian fees	17,205	3,568
Filing fees	18,842	2,742
Legal fees	3,474	580
Unitholder reporting	30,882	4,997
Unitholder administration, service fees and GST	216,447	38,258
	<u>1,687,047</u>	<u>256,710</u>
Absorbed expenses	(15,336)	(15,936)
	<u>1,671,711</u>	<u>240,774</u>
Net investment income (loss)	<u>3,212,797</u>	<u>564,136</u>
Net realized gain (loss) on investments sold	1,153,211	(13,886)
Net realized gain (loss) on foreign exchange	(30,876)	8,875
Capital gains distributions received from investments	45,549	292,887
Change in unrealized appreciation (depreciation) of investments	2,593,218	830,742
Net gain (loss) on investments	<u>3,761,102</u>	<u>1,118,618</u>
Increase (decrease) in net assets from operations	<u>\$6,973,899</u>	<u>\$1,682,754</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$6,973,839	\$1,682,708
Class F Units	\$ 60	\$ 46
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.66	\$ 0.59
Class F Units	\$ 0.80	\$ 0.22

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 57,945,931	\$ —
Class F Units	2,206	—
	<u>57,948,137</u>	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,973,839	1,682,708
Class F Units	60	46
	<u>6,973,899</u>	<u>1,682,754</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(3,183,496)	(388,891)
Class F Units	(15)	(16)
From realized gain		
Class A Units	(1,077,478)	(243,255)
Class F Units	(5)	(10)
	<u>(4,260,994)</u>	<u>(632,172)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	156,130,300	59,745,499
Class F Units	3,607	2,160
Reinvested distributions		
Class A Units	4,006,396	588,602
Class F Units	20	26
Payments on redemption		
Class A Units	(22,989,297)	(3,438,732)
Class F Units	(5,220)	—
	<u>137,145,806</u>	<u>56,897,555</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	139,860,264	57,945,931
Class F Units	(1,553)	2,206
	<u>139,858,711</u>	<u>57,948,137</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	197,806,195	57,945,931
Class F Units	653	2,206
	<u>\$197,806,848</u>	<u>\$57,948,137</u>

* For the period since inception to December 31, 2005

Scotia Canadian Balanced Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Number of Contracts	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 56.1%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 35.2%				CANADIAN EQUITIES (cont'd)			
Energy – 5.0%				Financials (cont'd)			
186,506	Canadian Natural Resources Ltd.	4,998,514	11,591,348	5,340	S&P/TSX 60 Index Put Options \$74.95 Jan. 19, 2007	822,360	541,252
308,362	EnCana Corporation	6,507,375	16,546,705	2,474	S&P/TSX 60 Index Put Options \$73.55 Feb. 16, 2007	440,372	184,847
97,260	Ensign Resource Service Group Inc.	1,374,161	1,788,611	298,934	Sun Life Financial Services of Canada Inc.	9,096,115	14,743,425
46,266	Husky Energy Inc.	1,227,664	3,610,599	397,555	Toronto-Dominion Bank	12,704,477	27,717,535
125,214	Imperial Oil Ltd.	2,512,726	5,375,437			<u>233,918,350</u>	<u>328,891,307</u>
128,492	Nexen Inc.	8,186,538	8,249,186				
259,682	Petro-Canada	6,432,286	12,399,816				
66,947	Shell Canada Ltd.	1,084,270	2,912,864				
181,700	Suncor Energy Inc.	5,520,569	16,678,243				
526,270	Talisman Energy Inc.	4,093,773	10,420,146				
52,200	Trican Well Service Ltd.	1,251,634	1,060,704				
73,410	Western Oil Sands Inc. Class A	1,860,813	2,401,241				
		<u>45,050,323</u>	<u>93,034,900</u>				
Materials – 3.5%				Information Technology – 0.8%			
179,525	Alcan Inc.	8,533,456	10,193,430	226,645	CGI Group Inc. Class A	1,974,924	1,842,624
426,960	Barrick Gold Corporation	11,276,080	15,306,516	52,750	Cognos Inc.	2,320,270	2,613,763
119,784	Cameco Corporation	720,923	5,653,805	150,289	Nortel Networks Corporation	7,870,988	4,701,040
400,000	Eldorado Gold Corporation	2,349,889	2,524,000	36,710	Research in Motion Ltd.	3,008,079	5,469,790
284,640	Goldcorp Inc.	7,779,477	9,424,430			<u>15,174,261</u>	<u>14,627,217</u>
277,000	IAMGOLD Corporation	2,937,696	2,858,640				
206,510	Kinross Gold Corporation	2,543,428	2,853,968				
25,850	Potash Corporation of Saskatchewan Inc.	1,735,321	4,316,950				
123,790	Teck Cominco Ltd. Class B	4,420,923	10,881,141				
		<u>42,297,193</u>	<u>64,012,880</u>				
Industrials – 2.1%				Telecommunication Services – 1.2%			
383,700	CAE Inc.	3,555,875	4,124,775	383,861	BCE Inc.	11,094,484	12,053,235
346,974	Canadian National Railway Company	6,414,757	17,372,988	30,415	Bell Aliant Regional Communications	1,091,458	819,988
95,601	Canadian Pacific Railway Ltd.	3,281,881	5,869,901	157,456	Telus Corporation	4,148,158	8,427,045
76,130	Finning International Inc.	2,181,795	3,638,253			<u>16,334,100</u>	<u>21,300,268</u>
47,900	Macdonald Dettwiler & Associates Ltd.	1,058,034	2,050,120				
53,120	Ritchie Bros. Auctioneers Inc.	1,329,364	3,313,888				
105,000	SNC-Lavalin Group Inc.	3,192,694	3,304,350				
		<u>21,014,400</u>	<u>39,674,275</u>				
Consumer Discretionary – 1.6%				Utilities – 1.0%			
101,910	Alliance Atlantis Communications Class B	2,553,020	5,144,417	175,730	Enbridge Inc.	4,221,868	7,076,647
125,510	Astral Media Inc. Class A	3,446,627	5,011,614	240,750	TransAlta Corporation	4,245,786	6,413,580
39,634	Canadian Tire Corporation Ltd. Class A	1,888,656	2,809,258	113,730	TransCanada Corporation	2,615,093	4,618,575
300,040	Rogers Communications Inc. Class B	5,583,209	10,411,388			<u>11,082,747</u>	<u>18,108,802</u>
116,128	Thomson Corporation	5,400,757	5,618,273				
35,200	Tim Hortons Inc.	1,194,864	1,185,888				
		<u>20,067,133</u>	<u>30,180,838</u>				
Consumer Staples – 1.2%				Income Trust Units – 0.8%			
140,500	Alimentation Couche-Tard Inc. Class B	2,429,398	3,561,675	207,500	Canadian Oil Sands Trust	6,173,371	6,766,575
211,072	Jean Coutu Group Inc. Class A	2,463,995	2,902,240	94,205	Penn West Energy Trust	1,891,028	3,350,872
31,400	Loblaw Companies Ltd.	1,744,695	1,532,006	101,640	Precision Drilling Trust	3,227,432	2,744,280
53,001	Metro Inc. Class A	1,224,208	2,010,858	94,230	Yellow Pages Income Fund	1,357,267	1,212,740
129,989	Saputo Inc.	4,396,756	4,804,393			<u>12,649,098</u>	<u>14,074,467</u>
147,046	Shoppers Drug Mart Corporation	3,404,589	7,365,534			<u>435,129,033</u>	<u>647,962,566</u>
		<u>15,663,641</u>	<u>22,176,706</u>				
Health Care – 0.1%				FOREIGN EQUITIES – 20.2%			
88,430	MDS Inc.	1,877,787	1,880,906	United States – 10.2%			
Financials – 17.9%				9,900	Abbott Laboratories	517,016	561,894
205,934	Bank of Montreal	7,643,366	14,209,446	7,100	Abercrombie & Fitch Company Class A	527,498	576,045
188,000	Bank of Nova Scotia, The	8,599,650	9,794,800	16,700	Adobe Systems Inc.	637,893	800,149
189,052	Brookfield Asset Management Inc. Class A	2,616,917	10,654,971	16,000	Advanced Micro Devices Inc.	395,021	379,390
182,860	Canadian Imperial Bank of Commerce	9,757,440	17,975,138	10,660	Alcoa Inc.	431,882	372,756
243,300	Great-West Lifeco Inc.	5,659,632	8,223,540	8,400	Altria Group Inc.	750,738	839,980
794,186	Manulife Financial Corporation	15,907,398	31,251,219	13,230	American Express Company	860,758	935,266
71,327	National Bank of Canada	3,045,826	4,696,170	17,500	American International Group Inc.	1,299,044	1,461,222
389,950	Power Corporation of Canada	7,007,318	13,761,336	14,680	Amgen Inc.	1,149,037	1,168,454
552,462	Royal Bank of Canada	13,005,073	30,661,641	4,300	Apache Corporation	309,900	333,240
1,939,275	S&P/TSX 60 Index Participation Fund	137,612,406	144,475,987	14,700	Apple Computer Inc.	940,232	1,453,180
				49,100	AT&T Corporation	1,531,569	2,045,309
				42,400	Bank of America Corporation	2,403,646	2,637,711
				27,800	Bank of New York Company Inc.	1,104,231	1,275,298
				8,000	Best Buy Company Inc.	502,133	458,530
				3,700	Boeing Company	331,347	383,011
				5,700	Broadcom Corporation Class A	196,070	214,592
				3,800	Burlington Northern Santa Fe Corporation	329,490	326,814
				3,900	Caterpillar Inc.	203,952	278,701
				9,400	Chevron Corporation	741,876	805,367
				50,140	Cisco Systems Inc.	1,397,580	1,596,707
				36,553	Citigroup Inc.	2,211,096	2,372,355
				9,900	Colgate-Palmolive Company	693,410	752,576
				18,600	Comcast Corporation Class A	697,438	917,408
				13,080	ConocoPhillips	534,936	1,096,579
				10,746	Constellation Brands Inc. Class A	358,239	363,367
				25,000	Corning Inc.	746,816	545,023
				6,300	Costco Wholesale Corporation	315,236	388,107

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Germany (cont'd)				Netherlands (cont'd)			
19,988	RWE AG	1,992,280	2,564,956	27,466	Mittal Steel Company NV	1,034,605	1,343,630
18,800	TUI AG	443,646	437,489	21,300	Wolters Kluwer NV	541,826	713,470
		<u>11,026,669</u>	<u>14,115,189</u>			<u>5,663,530</u>	<u>7,570,260</u>
Greece - 0.0%				Singapore - 0.0%			
1,589	OPAP SA	70,797	71,519	33,200	Flextronics International Ltd.	537,835	444,101
Hong Kong - 0.2%				Spain - 0.3%			
105,500	Esprit Holdings Ltd.	1,038,605	1,364,814	81,858	Banco Bilbao Vizcaya Argentaria SA	1,743,800	2,288,048
288,000	Li & Fung Ltd.	741,410	1,040,738	35,500	Repsol YPF SA	1,139,584	1,427,104
498,355	Sino Land Co. Ltd.	854,270	1,348,141	69,992	Telefonica SA	1,655,369	1,730,180
		<u>2,634,285</u>	<u>3,753,693</u>			<u>4,538,753</u>	<u>5,445,332</u>
Ireland - 0.2%				Sweden - 0.1%			
95,897	Anglo Irish Bank Corporation PLC	2,001,322	2,307,111	55,600	Nordea Bank AB	640,240	996,764
26,132	C&C Group PLC	479,000	540,266	14,200	Svenska Cellulosa AB Class B	723,175	862,620
25,539	CRH PLC	823,294	1,234,099	66,700	TeliaSonera AB	610,633	636,756
		<u>3,303,616</u>	<u>4,081,476</u>			<u>1,974,048</u>	<u>2,496,140</u>
Italy - 0.4%				Switzerland - 1.2%			
31,200	Buzzi Unicem SpA	623,751	1,031,138	113,768	ABB Ltd.	1,759,032	2,373,519
106,753	Eni SpA	3,315,823	4,183,805	5,600	Alcon Inc.	723,437	729,314
13,800	Fondiarria-Sai SpA	655,087	769,032	70,181	Credit Suisse Group	4,037,578	5,700,105
6,100	Fondiarria-Sai SpA - RNC	221,237	251,890	5,767	Nestle SA	2,072,366	2,380,773
187,087	UniCredito Italiano SpA	1,636,175	1,904,891	2,478	Nobel Biocare Holding AG	619,943	852,577
		<u>6,452,073</u>	<u>8,140,756</u>	37,873	Novartis AG	2,371,272	2,533,608
Japan - 2.6%				United Kingdom - 2.0%			
55,050	Canon Inc.	2,503,432	3,632,066	13,973	Roche Holdings AG - Genussscheine	1,894,191	2,910,329
16,600	Daiichi Sankyo Co. Ltd.	571,814	604,490	11,933	Swiss Re	1,057,029	1,176,950
57,000	Daiwa House Industry Co. Ltd.	1,134,465	1,152,625	47,053	UBS AG	2,310,125	3,316,324
22,700	Denso Corporation	991,189	1,050,172			<u>16,844,973</u>	<u>21,973,499</u>
110	East Japan Railway Co. Ltd.	767,214	854,600	Astrazeneca PLC			
10,800	Edion Corporation	238,804	186,868	20,700	Astrazeneca PLC	1,266,714	1,294,218
52,400	Honda Motor Co. Ltd.	1,676,219	2,414,909	77,300	Aviva PLC	1,067,459	1,446,597
35,100	Hoya Corporation	1,248,512	1,596,345	119,500	BAE Systems PLC	862,632	1,155,188
300	Japan Tobacco Inc.	840,531	1,685,953	100,797	Barclays PLC	1,124,416	1,672,959
35,900	JFE Holdings Inc.	1,137,862	2,143,674	50,199	BG Group PLC	637,438	797,743
6,600	Kyocera Corporation	616,165	726,139	113,900	BP PLC	1,521,585	1,483,284
23,900	Leopalace21 Corporation	491,457	886,996	28,770	British American Tobacco PLC	773,417	937,957
8,000	Mitsubishi Corporation	141,055	174,908	57,900	Centrica PLC	412,990	468,465
142	Mitsubishi UFJ Financial Group Inc.	2,025,729	2,058,223	10,800	Enterprise Inns PLC	192,690	332,728
130,000	Mitsui & Co. Ltd.	2,008,292	2,254,162	188,140	Friends Provident PLC	749,068	929,372
101,000	Mitsui Chemicals Inc.	783,571	902,721	22,900	Greene King PLC	476,149	591,374
116,000	Mitsui O.S.K. Lines Ltd.	898,280	1,334,830	74,600	HBOS PLC	1,427,486	1,923,677
59,000	NGK Insulators Ltd.	947,052	1,063,341	170,497	International Power PLC	1,155,651	1,485,207
78,500	Nippon Mining Holdings Inc.	559,372	658,032	38,200	Lloyds TSB Group PLC	402,030	496,689
188	Nippon Telegraph and Telephone Corporation	1,021,456	1,082,275	155,107	Man Group PLC	1,327,763	1,849,377
41,800	Nissan Motor Co. Ltd.	510,019	591,533	86,797	Marks & Spencer Group PLC	903,525	1,416,768
28,200	Nitto Denko Corporation	2,011,673	1,637,510	34,490	Punch Taverns PLC	561,582	1,003,359
70,000	Nomura Holdings Inc.	1,512,341	1,542,861	8,207	Reckitt Benkiser PLC	434,181	437,082
10,900	Orix Corporation	2,685,724	3,684,464	29,853	Rio Tinto PLC	1,821,059	1,848,771
20,000	Rengo Co. Ltd.	130,990	148,585	176,979	Royal & Sun Alliance Insurance Group PLC	330,432	615,686
38,000	Ricoh Co. Ltd.	886,542	905,295	44,500	Royal Bank of Scotland Group PLC	1,697,737	2,015,882
51,000	Sharp Corporation	997,225	1,024,576	29,604	Royal Dutch Shell PLC Class A	1,136,563	1,216,316
11,300	Shin-Etsu Chemical Co. Ltd.	823,532	876,353	12,958	Royal Dutch Shell PLC Class B	541,702	533,119
93,000	Sumitomo Heavy Industries Ltd.	672,396	1,139,809	45,363	SabMiller PLC	1,042,608	1,212,960
270	Sumitomo Mitsui Financial Group Inc.	2,534,657	3,208,710	130,900	Sainsbury (J) PLC	806,905	1,222,490
24,900	Tokyo Electric Power Co. Ltd.	729,826	938,971	43,921	Standard Chartered PLC	1,395,256	1,487,990
130,000	Tokyo Gas Co. Ltd.	599,922	805,645	74,172	Tesco PLC	643,323	683,192
60,900	Toyota Motor Corporation	3,329,680	4,653,460	787,112	Vodafone Group PLC	2,101,663	2,530,836
		<u>38,026,998</u>	<u>47,621,101</u>	70,034	Xstrata PLC	2,660,918	4,072,882
Netherlands - 0.4%				TOTAL FOREIGN EQUITIES			
29,948	ABN AMRO Holding NV	903,354	1,119,145			<u>308,668,701</u>	<u>370,758,598</u>
27,500	Buhrmann NV	438,346	475,925	INTERNATIONAL INDEX FUND - 0.7%			
27,710	European Aeronautic Defence & Space Company	1,128,701	1,110,982	150,000	iShares MSCI EAFE Index Fund	9,886,464	12,797,418
54,378	ING Groep NV	1,616,698	2,807,108			<u>753,684,198</u>	<u>1,031,518,582</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES – 34.5%				BONDS AND DEBENTURES (cont'd)			
Federal Bonds – 21.0%				Corporate Bonds (cont'd)			
47,470,000	Canada Housing Trust 5.10% due Sep. 15, 2007	47,866,752	47,757,847	8,000,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	8,000,000	7,922,136
127,740,000	Government of Canada 5.00% due Jun. 1, 2014	134,995,388	135,333,237	6,800,000	TransAlta Corporation 4.20% due Dec. 5, 2007	6,795,104	6,788,142
76,200,000	Government of Canada 4.00% due Jun. 1, 2016	75,879,690	75,723,750	10,000,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	9,964,621	9,862,292
118,010,000	Government of Canada 4.00% due Jun. 1, 2017	116,183,314	116,959,746			<u>184,931,763</u>	<u>190,225,750</u>
7,310,000	Government of Canada 8.00% due Jun. 1, 2023	10,666,344	10,617,177		TOTAL BONDS AND DEBENTURES	<u>627,607,973</u>	<u>634,416,882</u>
		<u>385,591,488</u>	<u>386,391,757</u>	SHORT-TERM NOTES – 8.7%			
Mortgage-Backed Securities – 3.1%				126,360,000	Government of Canada Treasury Bills 4.08% to 5.09% due from Jan. 4, 2007 to Apr. 5, 2007	126,149,223	126,446,082
9,000,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	9,064,420	9,439,560	1,740,000 (US)	Business Development Bank Commercial Paper 5.10% to 5.16% due from Feb. 13, 2007 to Mar. 16, 2007	1,991,717	2,010,739
8,500,000	Merrill Lynch Financial Assets Inc. 4.82% due Feb. 12, 2015	8,499,353	8,600,300	21,425,000 (US)	Canadian Wheat Board Commercial Paper 5.09% to 5.19% due from Jan. 10, 2007 to Mar. 5, 2007	24,164,567	24,791,040
10,000,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2016	9,999,873	10,096,900	6,200,000 (US)	Export Development Corporation Commercial Paper 5.13% to 5.18% due from Jan. 8, 2007 to Jan. 22, 2007	6,928,846	7,212,797
12,000,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2016	12,021,391	12,238,920		TOTAL SHORT-TERM NOTES	<u>159,234,353</u>	<u>160,460,658</u>
9,500,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2016	9,499,765	9,600,415		TOTAL INVESTMENT PORTFOLIO	<u>1,540,526,524</u>	1,826,396,122
8,000,000	Schooner Trust 4.36% due Sep. 12, 2015	7,999,920	7,823,280		OTHER ASSETS, LESS LIABILITIES – 0.7%		<u>12,038,605</u>
		<u>57,084,722</u>	<u>57,799,375</u>		TOTAL NET ASSETS – 100.0%		<u>1,838,434,727</u>
Corporate Bonds – 10.4%							
11,000,000	Bank of Montreal 4.55% due Aug. 1, 2017	10,723,930	10,955,341				
5,000,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	4,998,250	5,018,246				
10,000,000	Canadian Imperial Bank of Commerce (callable) 4.55% due Mar. 28, 2016-(2011)	9,984,100	10,062,206				
10,000,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	9,824,100	9,819,959				
11,000,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	10,780,160	10,845,812				
9,000,000	Canadian Utilities Limited 4.80% due Nov. 22, 2021	9,024,240	8,973,426				
10,000,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	9,994,600	9,928,010				
8,000,000	General Motors Acceptance Corporation of Canada 4.50% due Aug. 13, 2007	7,980,000	7,985,429				
11,000,000	Genesis Trust 4.00% due Mar. 15, 2010	10,970,715	10,914,516				
8,000,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	8,027,920	9,804,283				
11,000,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	11,483,170	13,757,507				
10,000,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	9,987,700	10,153,346				
11,000,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	10,984,310	11,143,509				
10,000,000	NAV Canada 4.71% due Feb. 24, 2016	9,944,740	10,125,766				
8,500,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	8,486,060	9,024,050				
1,800,000	Sears Canada Inc. 7.45% due May 10, 2010	1,998,143	1,878,676				
11,000,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	10,975,700	11,217,116				
4,000,000	Toronto-Dominion Bank (callable) 4.97% due Oct. 30, 2104-(2015)	4,004,200	4,045,982				

BALANCED FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Continued)

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contract Price \$	Contractual Market Value in Canadian \$
1,208	US 10 Year Note Future — March, 2007	108	151,269,197
(382)	Canada 10 Year Bond Future — March, 2007	115	(43,479,240)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

With respect to the above futures contracts, \$500,000 of the January 11, 2007 Government of Canada Treasury Bill and \$1,000,000 of the September 15, 2007 Canada Housing Trust 5.10% are held on margin.

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/Depreciation
Mar. 15, 2007	Canadian Dollar	1,036,906	Hong Kong Dollar	7,024,000	1,052,796	(15,890)
Mar. 15, 2007	Canadian Dollar	10,520,812	Japanese Yen	1,052,502,000	10,373,225	147,587
Mar. 15, 2007	Canadian Dollar	2,325,063	Swiss Franc	2,399,000	2,301,710	23,353
Mar. 15, 2007	Canadian Dollar	379,359	Swiss Franc	408,000	391,454	(12,095)
Mar. 15, 2007	Japanese Yen	186,015,000	Canadian Dollar	1,831,758	1,833,322	1,564
					<u>15,952,507</u>	<u>144,519</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Canadian Balanced Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$1,826,396,122	\$1,516,037,998
Cash	6,352,940	2,697,106
Accrued investment income	5,746,125	4,400,163
Receivable for securities sold	512,089	1,979,871
Subscriptions receivable	78,885	66,873
Receivable from futures contracts	2,853,810	–
Receivable from forward contracts	144,519	–
	<u>1,842,084,490</u>	<u>1,525,182,011</u>
LIABILITIES		
Payable for securities purchased	640,951	297,377
Distributions payable	672	212
Redemptions payable	88,818	225,579
Accrued expenses	2,919,322	2,516,105
Payable for currency forward contracts	–	204,618
	<u>3,649,763</u>	<u>3,243,891</u>
Net assets	<u>\$1,838,434,727</u>	<u>\$1,521,938,120</u>
NET ASSETS PER CLASS		
Class A Units	\$1,838,373,876	\$1,521,827,869
Class F Units	\$ 60,851	\$ 110,251
UNITS OUTSTANDING		
Class A Units	82,176,820	73,793,325
Class F Units	2,767	5,447
NET ASSET VALUE PER UNIT		
Class A Units	\$ 22.37	\$ 20.62
Class F Units	\$ 21.99	\$ 20.24

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 19,152,502	\$ 15,432,784
Interest	35,923,221	25,593,457
Securities lending	310,258	80,687
Foreign withholding taxes	(1,159,039)	(959,325)
	<u>54,226,942</u>	<u>40,147,603</u>
EXPENSES		
Management fees (note 4)	29,026,942	23,810,007
Audit fees	26,325	21,802
Directors'/trustee fees	2,755	2,642
Custodian fees	348,302	264,152
Filing fees	69,881	70,106
Legal fees	46,928	7,734
Unitholder reporting	428,722	442,071
Unitholder administration, service fees and GST	3,749,334	3,174,336
	<u>33,699,189</u>	<u>27,792,850</u>
Absorbed expenses	(25,205)	(252,436)
	<u>33,673,984</u>	<u>27,540,414</u>
Net investment income (loss)	<u>20,552,958</u>	<u>12,607,189</u>
Net realized gain (loss) on investments sold	79,920,457	49,687,828
Net realized gain (loss) on foreign exchange	1,128,561	(799,529)
Change in unrealized appreciation (depreciation) of investments	54,174,568	80,392,163
Change in unrealized appreciation (depreciation) of currency forward	349,137	(204,618)
Net gain (loss) on investments	<u>135,572,723</u>	<u>129,075,844</u>
Increase (decrease) in net assets from operations	<u>\$156,125,681</u>	<u>\$141,683,033</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$156,118,718	\$141,493,868
Class F Units	\$ 6,963	\$ 7,450
Scotia Private Client Units	\$ –	\$ 181,715
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.99	\$ 1.99
Class F Units	\$ 1.82	\$ 2.82
Scotia Private Client Units	\$ –	\$ –

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$1,521,827,869	\$1,264,408,366
Class F Units	110,251	47,973
Scotia Private Client Units	–	2,182,903
	<u>1,521,938,120</u>	<u>1,266,639,242</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	156,118,718	141,493,868
Class F Units	6,963	7,450
Scotia Private Client Units	–	181,715
	<u>156,125,681</u>	<u>141,683,033</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(17,238,816)	(12,480,836)
Class F Units	(1,335)	(890)
Scotia Private Client Units	–	(44,017)
	<u>(17,240,151)</u>	<u>(12,525,743)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	423,723,625	359,125,193
Class F Units	2,277	73,994
Reinvested distributions		
Class A Units	17,177,896	12,425,887
Class F Units	1,335	890
Scotia Private Client Units	–	44,017
Payments on redemption		
Class A Units	(263,235,416)	(243,144,609)
Class F Units	(58,640)	(19,166)
Scotia Private Client Units	–	(2,364,618)
	<u>177,611,077</u>	<u>126,141,588</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	316,546,007	257,419,503
Class F Units	(49,400)	62,278
Scotia Private Client Units	–	(2,182,903)
	<u>316,496,607</u>	<u>255,298,878</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,838,373,876	1,521,827,869
Class F Units	60,851	110,251
Scotia Private Client Units	–	–
	<u>\$1,838,434,727</u>	<u>\$1,521,938,120</u>

Scotia Total Return Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES - 58.8%				EQUITIES (cont'd)			
CANADIAN EQUITIES - 35.6%				CANADIAN EQUITIES (cont'd)			
Energy - 8.4%				Information Technology - 1.0%			
109,340	Canadian Natural Resources Ltd.	3,869,401	6,795,481	141,800	Celestica Inc.	1,771,665	1,287,544
111,900	CHC Helicopter Corporation Class A	2,561,205	2,752,740	23,800	Cognos Inc.	996,609	1,179,290
136,900	EnCana Corporation	6,110,960	7,346,054	21,600	Nortel Networks Corporation	683,817	675,648
44,350	Nexen Inc.	2,622,875	2,847,270	6,500	Research in Motion Ltd.	569,302	968,500
108,700	Petro-Canada	3,877,135	5,190,425	167,800	Zarlink Semiconductor Inc.	894,937	424,534
71,200	Suncor Energy Inc.	3,768,184	6,535,448				
281,900	Talisman Energy Inc.	4,387,885	5,581,620				
90,300	Trican Well Service Ltd.	2,029,895	1,834,896				
		<u>29,227,540</u>	<u>38,883,934</u>			<u>4,916,330</u>	<u>4,535,516</u>
Materials - 6.2%				Telecommunication Services - 1.7%			
31,900	Agnico-Eagle Mines Ltd.	1,098,309	1,534,071	99,841	BCE Inc.	3,201,008	3,135,007
94,600	Agrium Inc.	2,516,788	3,456,684	3,291	Bell Alliant Regional Communications	135,551	88,725
57,500	Alcan Inc.	2,825,327	3,264,850	86,500	Telus Corporation Non-Voting	3,323,010	4,500,595
26,600	Algoma Steel Inc.	760,426	875,140			<u>6,659,569</u>	<u>7,724,327</u>
67,800	Barrick Gold Corporation	1,825,767	2,430,630	Income Trust Units - 1.2%			
41,900	Cameco Corporation	1,703,442	1,977,680	115,500	CI Financial Income Fund	3,252,526	3,086,160
49,400	Cascades Inc.	615,486	653,562	32,300	Penn West Energy Trust	639,010	1,148,911
75,900	Domtar Inc.	1,148,066	747,615	109,500	Yellow Pages Income Fund	1,611,611	1,409,265
82,500	Gerdau AmeriSteel Corporation	659,315	858,825	40,400	Yellow Pages Income Fund Warrants Dec. 14, 2007	-	2,424
67,600	Goldcorp Inc.	1,932,439	2,238,236			<u>5,503,147</u>	<u>5,646,760</u>
86,600	Kinross Gold Corporation	1,186,978	1,196,812	TOTAL CANADIAN EQUITIES			
13,700	Lundin Mining Corporation	549,657	589,100	130,094,110		164,235,711	
46,300	Norbord Inc.	571,980	412,533	FOREIGN EQUITIES - 23.2%			
61,000	Nova Chemicals Corporation	2,486,719	1,982,500	United States - 10.6%			
33,980	Novelis Inc.	814,093	1,107,408	2,900	Abbott Laboratories	160,394	164,595
35,500	Russel Metals Inc.	731,725	947,850	3,400	Advanced Micro Devices Inc.	108,491	80,620
239,200	Sherritt International Corporation	1,944,627	2,963,688	2,500	Allstate Corporation	182,101	189,666
18,550	Teck Cominco Ltd. Class B	1,343,716	1,630,545	2,300	Alltel Corporation	150,067	162,084
		<u>24,714,860</u>	<u>28,867,729</u>	4,600	Altria Group Inc.	428,507	459,989
Industrials - 2.2%				8,550	American Financial Group Inc.	338,307	357,753
63,300	CAE Inc.	680,900	680,475	2,500	American Home Mortgage Investment Corporation	100,323	102,305
115,400	Canadian National Railway Company	4,860,036	5,778,078	6,000	Amerigroup Corporation	212,115	250,915
54,550	Canadian Pacific Railway Ltd.	2,495,089	3,349,370	800	Ameriprise Financial Inc.	47,000	50,803
89,200	Westaim Corporation	417,507	160,560	600	Ameron International Corporation	53,367	53,392
		<u>8,453,532</u>	<u>9,968,483</u>	700	Amgen Inc.	57,512	55,716
Consumer Discretionary - 2.0%				2,200	Amkor Technology Inc.	24,863	23,943
14,000	Canadian Tire Corporation Ltd. Class A	1,041,217	992,320	9,100	Archer-Daniels-Midland Inc.	375,989	338,883
6,300	Magna International Inc. Class A	668,950	591,381	3,600	Asyst Technologies Inc.	27,445	30,663
63,700	Quebecor World Inc.	1,185,046	859,950	24,895	AT&T Corporation	808,339	1,037,026
115,800	Rogers Communications Inc. Class B	2,259,705	4,018,260	4,300	Atmel Corporation	29,604	30,313
90,700	Rona Inc.	1,942,806	1,904,700	25,256	Bank of America Corporation	1,403,919	1,571,180
14,700	Thomson Corporation	764,728	711,186	1,600	Baxter International Inc.	82,238	86,486
		<u>7,862,452</u>	<u>9,077,797</u>	8,400	BellSouth Corporation	336,968	461,099
Consumer Staples - 0.7%				2,400	Big Lots Inc.	51,526	64,095
40,900	Alimentation Couche-Tard Inc. Class B	928,298	1,036,815	3,300	Biogen Idec Inc.	179,464	189,144
92,500	Maple Leaf Foods Inc.	1,197,668	1,141,450	4,900	BMC Software Inc.	181,876	183,846
22,800	Shoppers Drug Mart Corporation	881,529	1,142,052	900	Books-A-Million Inc.	20,100	23,784
		<u>3,007,495</u>	<u>3,320,317</u>	1,100	Boston Properties Inc.	147,054	143,399
Financials - 12.2%				1,100	Bradley Pharmaceuticals Inc.	28,596	26,378
86,000	Bank of Montreal	4,324,292	5,934,000	17,300	Bristol-Myers Squibb Company	479,961	530,559
41,600	Brookfield Asset Management Inc. Class A	2,048,570	2,344,576	25,000	Brocade Communications Systems Inc.	185,075	239,158
101,260	Canadian Imperial Bank of Commerce	7,476,044	9,953,858	300	Caterpillar Inc.	23,317	21,439
249,200	Manulife Financial Corporation	6,971,112	9,806,020	9,300	CB Richard Ellis Group Inc.	330,037	359,768
278,100	Royal Bank of Canada	10,215,487	15,434,550	6,600	CBS Corporation Class B	199,224	239,785
182,700	Toronto-Dominion Bank	8,713,680	12,737,844	12,370	Chevron Corporation	921,263	1,059,829
		<u>39,749,185</u>	<u>56,210,848</u>	600	CIGNA Corporation	76,381	91,983
				28,000	Cisco Systems Inc.	689,991	891,659
				21,500	Citigroup Inc.	1,224,735	1,395,388
				16,200	Comcast Corporation Class A	705,390	799,033
				3,600	Computer Sciences Corporation	216,819	223,873
				22,900	ConAgra Foods Inc.	662,447	720,445
				5,900	ConocoPhillips	481,473	494,634
				10,300	Countrywide Financial Corporation	425,779	509,467
				1,400	Cummins Inc.	185,049	192,785

For equities, all common shares unless otherwise noted
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Scotia Total Return Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Finland - 0.1%				Japan (cont'd)			
1,600	Fortum Oyj	48,367	52,951	11,300	Hokkaido Electric Power Co.	306,077	336,455
3,200	Outokumpu Oyj	94,241	145,397	53,000	Ishihara Sangyo Kaisha Ltd.	117,133	75,007
1,900	Rautaruukki Oyj	61,783	87,671	18,000	Japan Steel Works Ltd.	164,946	164,144
		<u>204,391</u>	<u>286,019</u>	13,300	JFE Holdings Inc.	644,859	794,175
France - 1.0%				23,000	Kobe Steel Ltd.	79,759	91,997
3,154	CNP Assurances	272,062	410,271	3,000	Komori Corporation	66,926	65,098
10,528	Lafarge SA	1,654,649	1,823,707	13,000	Konica Minolta Holdings Inc.	216,839	213,958
1,579	Pinault-Printemps-Redoute SA	267,104	274,725	3,200	Kyushu Electric Power Co. Inc.	90,099	98,304
13,994	PSA Peugeot SA	990,885	1,076,623	2,300	Makita Corporation	62,220	82,329
1,019	Renault SA	133,919	142,504	130,000	Marubeni Corporation	684,759	765,686
2,962	Unibail SA	462,516	841,129	64,000	Matsushita Electric Industrial Co. Ltd.	1,408,320	1,499,477
		<u>3,781,135</u>	<u>4,568,959</u>	900	Matsushita Electric Industrial Co. Ltd. ADR	23,159	21,068
Germany - 1.3%				17,000	Minebea Co. Ltd.	136,637	138,675
5,127	BASF AG	572,664	581,261	7,000	Mitsubishi Electric Corporation	71,846	74,521
1,977	Bayer AG	117,859	123,549	6,000	Mitsubishi Heavy Industries Ltd.	27,540	31,821
1,005	Deutsche Boerse AG	150,627	215,781	7,200	Mitsumi Electric Co. Ltd.	141,386	184,917
12,232	E.ON AG	1,765,285	1,933,124	24,500	Nippon Mining Holdings Inc.	217,835	205,373
400	Epcos AG	5,962	9,311	28	Nippon Telegraph and Telephone Corporation	153,924	161,190
1,736	Henkel KGaA -Vorzug Pref.	242,492	297,506	9,000	Osaka Gas Co. Ltd.	38,712	39,131
1,440	Muenchener Rueckver AG	258,787	288,274	27,300	Pioneer Corporation	461,938	437,333
2,001	Salzgitter AG	301,701	304,671	4,350	Promise Co. Ltd.	282,447	156,607
72	Siemens AG	7,441	8,314	11,000	Shionogi & Co. Ltd.	216,305	251,062
34,196	Thyssenkrupp AG	1,393,770	1,875,589	7,000	Sumitomo Heavy Industries Ltd.	85,933	85,792
3,349	Volkswagen AG Non-voting	160,652	290,656	1,439	Suzuken Co. Ltd.	62,092	62,912
		<u>4,977,240</u>	<u>5,928,036</u>	7,200	Takeda Pharmaceutical Co. Ltd.	541,006	576,322
Greece - 0.0%				17,820	Takefuji Corporation	1,321,518	819,811
21,540	Technical Olympic SA	132,705	84,119	9,000	Tanabe Seiyaku Co. Ltd.	129,350	137,075
Hong Kong - 0.0%				44,000	Teijin Ltd.	314,695	316,142
10,000	Hang Lung Properties Ltd.	24,147	29,252	1,000	Tokyo Electric Power Co. Ltd.	37,438	37,710
4,000	Henderson Land Development Co. Ltd.	25,727	25,929	5,000	Tokyo Gas Co. Ltd.	28,139	30,986
307	Sunlight Real Estate Investment	-	104	58,000	Toshiba Corporation	409,170	440,431
		<u>49,874</u>	<u>55,285</u>			<u>11,848,389</u>	<u>11,560,884</u>
Ireland - 0.3%				Netherlands - 1.0%			
44,393	Kingspan Group PLC	613,630	1,371,960	47,732	Aegon NV	823,054	1,059,220
Italy - 1.8%				2,467	Aegon NV - ARS	42,207	54,473
25,582	Banca Intesa SpA	156,663	229,499	3,120	Corio NV	183,052	296,346
41,849	Banca Intesa SpA - RNC	255,789	355,776	2,247	Fugro NV-CVA	106,496	125,024
74,303	Banca Monte Dei Paschi Siena SpA	439,346	560,344	9,607	Koninklijke DSM NV	380,104	552,484
4,725	Banche Popolari Unite Scpa	132,426	148,433	97,015	Koninklijke KPN NV	1,215,099	1,602,064
7,582	Banco Popolare di Verona e Novara Scrl	242,028	252,840	16,005	Mittal Steel Company NV	663,599	782,961
3,132	Benetton Group	64,527	69,637			<u>3,413,611</u>	<u>4,472,572</u>
81,212	Capitalia SpA	754,785	895,114	New Zealand - 0.1%			
158,780	Enel SpA	1,814,532	1,904,330	43,062	Telecom Corporation of New Zealand Ltd.	125,018	170,215
53,260	Eni SpA	1,931,483	2,087,337	6,036	Telecom Corporation of New Zealand Ltd. ADR	142,162	189,333
19,171	Finmeccanica SpA	501,610	605,079			<u>267,180</u>	<u>359,548</u>
1,405	Fondiarria-Sai SpA	70,503	78,296	Norway - 0.5%			
2,093	Fondiarria-Sai SpA - RNC	78,115	86,427	31,100	DNB NOR ASA	261,699	514,476
4,210	SanPaolo IMI SpA	85,545	113,894	12,794	Frontline Ltd.	711,792	478,498
13,674	Snam Rete Gas SpA	80,746	90,363	50,400	Storebrand ASA	523,575	747,049
243,604	Terna-Rete Elettrica Nazionale SpA	927,712	962,074	23,600	Telenor ASA	303,956	513,677
		<u>7,535,810</u>	<u>8,439,443</u>			<u>1,801,022</u>	<u>2,253,700</u>
Japan - 2.5%				Portugal - 0.0%			
7,610	Acom Co. Ltd.	573,526	297,258	12,765	Portugal Telecom SA	178,435	186,659
3,100	Aiful Corporation	163,030	101,273	Singapore - 0.3%			
15,700	Daichi Sankyo Co. Ltd.	502,167	571,716	42,000	Capitaland Ltd.	166,600	196,447
1,700	Eisai Co. Ltd.	89,417	108,902	18,000	DBS Group Holdings Ltd.	265,761	308,925
2,200	Electric Power Development Co.	103,922	112,965	21,000	Neptune Orient Lines Ltd.	38,145	33,335
2,000	Fuji Electric Co. Ltd.	11,122	12,649	87,000	Sembcorp Industries Ltd.	219,228	252,977
10,600	Fuji Photo Film Co. Ltd.	469,024	509,673	10,000	Singapore Exchange Ltd.	38,027	43,073
20,000	Fujikura Ltd.	203,679	205,377	8,000	Singapore Petroleum Co. Ltd.	26,984	26,487
134,000	Fujitsu Ltd.	1,169,699	1,227,138				
900	Glory Ltd.	19,996	18,424				

For equities, all common shares unless otherwise noted
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Scotia Total Return Fund (Continued)

Number of Shares/ Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)							
FOREIGN EQUITIES (cont'd)							
Singapore (cont'd)							
35,000	United Overseas Bank Ltd.	454,884	514,396				
29,000	United Overseas Land Ltd.	94,714	95,451				
		<u>1,304,343</u>	<u>1,471,091</u>				
Spain - 1.4%							
7,067	Acciona SA	999,693	1,527,952				
10,022	Acerinox SA	313,391	353,852				
10,524	Aguas De Barcelona	345,843	448,269				
32,704	Banco Bilbao Vizcaya Argentaria SA	756,191	914,123				
33,475	Corporacion Mapfre SA	136,785	175,458				
2,576	Endesa SA	68,708	139,412				
1,547	Fomento de Contruc Y Contra SA	125,670	183,575				
8,286	Gas Natural SDG SA	305,449	380,512				
21,399	Iberdrola SA	871,200	1,083,468				
65,503	Iberia Lineas Aer de Espana SA	219,180	277,957				
950	Metrovacesa SA	57,437	187,751				
726	Sacyr Vallehermoso SA	52,470	50,219				
23,409	Telefonica SA	424,230	578,663				
4,213	Union Fenosa SA	201,068	241,974				
		<u>4,877,315</u>	<u>6,543,185</u>				
Sweden - 0.1%							
4,800	Electrolux AB Series B	80,021	111,545				
3,600	Skanska AB Class B	70,425	82,334				
5,900	SSAB Svenskt Staal AB Series A	83,126	162,650				
5,800	SSAB Svenskt Staal AB Series B	98,145	152,073				
		<u>331,717</u>	<u>508,602</u>				
United Kingdom - 1.5%							
21,568	Amvescap PLC	223,372	292,270				
328	Berkeley Group Holdings PLC	9,444	12,727				
264,497	BT Group PLC	1,187,915	1,815,478				
52,962	GKN PLC	362,013	334,188				
82,819	iSOFT Group PLC	237,389	106,743				
64,822	Ladbros PLC	540,397	616,980				
22,518	Partygaming PLC	14,787	16,306				
1,259	Rolls-Royce Group PLC	11,721	12,859				
46,205	Rolls-Royce Group PLC B Entitlement Jan. 2007	-	-				
17,814	Royal Dutch Shell PLC Class A	643,018	730,294				
3,156	Royal Dutch Shell PLC Class B	126,896	129,844				
4,363	Royal Dutch Shell PLC ADR A	338,092	359,881				
1,599	Royal Dutch Shell PLC ADR B	126,595	132,564				
81,563	Sainsbury (J) PLC	553,371	761,726				
745	Scottish & Newcastle PLC	7,812	9,510				
16,631	Scottish Power PLC	214,724	283,556				
16,941	Taylor Woodrow PLC	125,004	164,725				
28,658	Vodafone Group PLC ADR	784,829	927,640				
		<u>5,507,379</u>	<u>6,707,291</u>				
	TOTAL FOREIGN EQUITIES	<u>93,621,085</u>	<u>107,461,174</u>				
	TOTAL EQUITIES	<u>223,715,195</u>	<u>271,696,885</u>				
BONDS AND DEBENTURES - 36.5%							
Federal Bonds - 14.9%							
6,145,000	Canada Housing Trust						
	5.10% due Sep. 15, 2007	6,227,730	6,182,262				
4,987,000	Canada Housing Trust						
	4.65% due Sep. 15, 2009	5,068,235	5,056,940				
3,210,000	Canada Housing Trust						
	3.75% due Mar. 15, 2010	3,151,642	3,177,218				
1,126,000	Canada Housing Trust						
	3.55% due Sep. 15, 2010	1,093,965	1,105,523				
2,245,000	Canada Housing Trust						
	4.05% due Mar. 15, 2011	2,218,433	2,241,589				
2,034,000	Canada Housing Trust						
	3.95% due Dec. 15, 2011	2,030,095	2,019,935				
BONDS AND DEBENTURES (cont'd)							
Federal Bonds (cont'd)							
1,783,000	Farm Credit Corporation						
	4.60% due Jun. 1, 2021					1,842,786	1,828,573
20,026,000	Government of Canada						
	4.25% due Dec. 1, 2008					20,201,727	20,107,106
2,089,000	Government of Canada						
	4.25% due Sep. 1, 2009					2,099,137	2,102,071
7,192,000	Government of Canada						
	5.50% due Jun. 1, 2010					7,559,922	7,538,711
933,000	Government of Canada						
	6.00% due Jun. 1, 2011					1,016,494	1,008,314
2,625,000	Government of Canada						
	5.25% due Jun. 1, 2012					2,801,478	2,781,893
3,816,000	Government of Canada						
	5.25% due Jun. 1, 2013					4,106,335	4,077,836
2,506,000	Government of Canada						
	5.00% due Jun. 1, 2014					2,647,070	2,654,964
451,000	Government of Canada						
	4.50% due Jun. 1, 2015					467,228	464,380
366,000	Government of Canada						
	4.00% due Jun. 1, 2017					365,539	362,743
1,701,000	Government of Canada						
	8.00% due Jun. 1, 2023					2,451,710	2,470,563
811,000	Government of Canada						
	8.00% due Jun. 1, 2027					1,201,627	1,233,768
482,000	Government of Canada						
	5.75% due Jun. 1, 2029					598,447	592,183
109,000	Government of Canada						
	5.75% due Jun. 1, 2033					136,593	137,078
1,288,000	Government of Canada						
	5.00% due Jun. 1, 2037					1,400,265	1,487,113
		<u>68,686,458</u>	<u>68,630,763</u>				
Mortgage-Backed Securities - 0.3%							
1,164,000	Mansfield Trust						
	6.57% due Nov. 15, 2025					1,203,458	1,213,354
Municipal Bonds - 0.3%							
818,000	British Columbia Municipal Financial Authority						
	4.65% due Apr. 19, 2016					837,591	833,945
465,824	Toronto Hospital						
	5.64% due Dec. 8, 2022					454,387	503,636
		<u>1,291,978</u>	<u>1,337,581</u>				
Provincial Bonds - 10.3%							
468,000	Alberta Capital Finance Authority						
	4.45% due Dec. 15, 2025					466,545	467,265
547,000	Alberta Treasury Branch						
	4.10% due Jun. 1, 2011					540,075	546,649
656,000	Alberta Treasury Branch						
	4.10% due Dec. 1, 2011					660,802	655,086
334,000	BC Ferry Services Inc.						
	6.25% due Oct. 13, 2034					340,094	392,101
543,000	Hydro-Quebec						
	6.50% due Feb. 15, 2035					619,627	694,329
210,000	Newfoundland & Labrador Hydro						
	4.33% due Oct. 13, 2016					209,484	208,334
185,000	Ontario Hydro						
	8.25% due Jun. 22, 2026					273,893	272,039
2,060,000	Province of British Columbia						
	6.25% due Dec. 1, 2009					2,181,458	2,179,215
788,000	Province of British Columbia						
	8.50% due Aug. 23, 2013					1,009,026	982,646
2,177,000	Province of British Columbia						
	5.70% due Jun. 18, 2029					2,407,827	2,550,220
139,000	Province of British Columbia						
	5.40% due Jun. 18, 2035					156,518	159,814
440,000	Province of Manitoba						
	5.70% due Mar. 5, 2037					527,648	522,970

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Scotia Total Return Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)				Corporate Bonds (cont'd)			
750,000	Province of New Brunswick 5.85% due Dec. 1, 2011	808,721	806,540	111,000	Bank of Montreal 4.55% due Aug. 1, 2017	110,989	110,549
499,000	Province of Newfoundland 5.70% due Oct. 17, 2035	519,691	585,189	244,000	BC Telephone 9.65% due Apr. 8, 2022	356,423	357,697
182,000	Province of Newfoundland 4.50% due Apr. 17, 2037	180,873	178,849	810,000	BCIMC Realty Corporation 4.65% due Feb. 10, 2015	806,099	815,591
410,000	Province of Nova Scotia 6.60% due Dec. 1, 2031	465,484	533,018	991,000	Bell Aliant Regional Communications 5.41% due Sep. 26, 2016	1,003,538	994,740
1,382,000	Province of Ontario 4.50% due Apr. 17, 2008	1,385,386	1,385,597	373,000	Bell Canada 8.88% due Apr. 17, 2026	471,845	494,218
2,630,191	Province of Ontario 3.21% due Aug. 13, 2009	2,616,357	2,591,953	953,000	Bell Canada 7.30% due Feb. 23, 2032	1,127,429	1,148,324
1,112,000	Province of Ontario 6.20% due Nov. 19, 2009	1,224,181	1,173,965	1,042,000	Bell Canada 6.10% due Mar. 16, 2035	1,090,459	1,092,821
1,120,000	Province of Ontario 6.10% due Nov. 19, 2010	1,199,072	1,198,791	742,000	Brascan Corporation 5.95% due Jun. 14, 2035	736,494	767,451
2,056,000	Province of Ontario 4.40% due Dec. 2, 2011	2,054,047	2,079,981	1,123,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	1,126,065	1,127,098
2,411,000	Province of Ontario 6.10% due Dec. 2, 2011	2,639,189	2,619,298	137,112	Brilliant Power Funding Corporation 5.67% due May 31, 2026	137,112	146,943
1,110,000	Province of Ontario 5.38% due Dec. 2, 2012	1,164,212	1,179,114	295,515	Brilliant Power Funding Corporation 8.93% due May 31, 2026	384,043	403,969
784,000	Province of Ontario 7.60% due Jun. 2, 2027	1,091,931	1,097,570	355,000	Brookfield Power Corporation 5.25% due Nov. 5, 2018	354,872	355,949
1,467,000	Province of Ontario 6.50% due Mar. 8, 2029	1,681,847	1,859,892	360,000	Brookfield Power Corporation 5.84% due Nov. 5, 2036	359,896	362,110
5,730,000	Province of Ontario 5.85% due Mar. 8, 2033	6,124,427	6,845,791	924,000	Caisse d'Amortissement de la Dette Sociale 4.45% due Oct. 26, 2018	919,750	924,912
1,683,000	Province of Ontario 5.60% due Jun. 2, 2035	1,849,693	1,960,177	166,000	Canada Life Assurance Company 6.40% due Dec. 11, 2028	164,405	193,853
885,000	Province of Ontario 4.70% due Jun. 2, 2037	860,301	905,292	255,000	Canadian Tire Corporation Ltd. 6.32% due Feb. 24, 2034	272,012	276,444
153,000	Province of Prince Edward Island 5.60% due Feb. 21, 2034	174,080	176,195	244,000	Canadian Tire Corporation Ltd. 5.61% due Sep. 4, 2035	241,168	240,710
112,000	Province of Prince Edward Island 5.70% due Jun. 15, 2035	111,898	131,147	1,007,000	Citigroup Finance Canada Inc. 5.37% due Mar. 6, 2036	999,525	1,022,935
1,445,000	Province of Quebec 6.25% due Dec. 1, 2010	1,566,321	1,553,118	184,000	Column Canada 4.93% due Sep. 15, 2016	183,994	182,607
187,000	Province of Quebec 6.00% due Oct. 1, 2012	206,297	203,710	1,200,000	Credit Agricole SA 5.50% due Aug. 11, 2016	1,197,360	1,228,837
772,000	Province of Quebec 5.50% due Dec. 1, 2014	823,323	829,264	198,940	Data Centres Trust Series A 7.23% due Sep. 10, 2014	219,399	213,299
1,121,000	Province of Quebec 5.00% due Dec. 1, 2015	1,172,442	1,166,901	349,000	Depfa ACS Bank 4.90% due Aug. 24, 2035	348,418	357,119
2,465,000	Province of Quebec 6.00% due Oct. 1, 2029	2,608,098	2,910,784	67,000	Enbridge Gas Distribution Inc. 6.16% due Dec. 16, 2033	76,280	77,038
2,539,000	Province of Quebec 6.25% due Jun. 1, 2032	2,793,860	3,115,154	181,000	Enterprise Rent A Car Canada Finance Ltd. 5.70% due Feb. 26, 2021	178,073	184,913
170,000	Province of Quebec 5.00% due Dec. 1, 2038	173,873	178,704	560,000	ERAC Canada Finance Ltd. 5.38% due Feb. 26, 2016	558,957	566,915
216,000	Province of Saskatchewan 6.10% due Jan. 25, 2030	216,592	268,653	898,000	General Electric Capital Canada Funding Company 4.75% due May 2, 2011	902,102	913,370
264,000	Province of Saskatchewan 6.40% due Sep. 5, 2031	320,588	336,843	439,000	General Electric Capital Canada Funding Company 4.40% due Jun. 1, 2014	438,350	436,217
		<u>45,425,781</u>	<u>47,502,158</u>	713,000	General Electric Capital Canada Funding Company 4.65% due Feb. 11, 2015	719,377	717,732
Corporate Bonds - 10.7%				678,000	General Electric Capital Canada Funding Company 5.10% due Jun. 1, 2016	681,763	703,176
305,000	Aeroports de Montreal 5.17% due Sep. 17, 2035	304,628	309,298	1,504,000	Greater Toronto Airports Authority 7.05% due Jun. 12, 2030	1,559,606	1,863,293
1,111,000	AltaLink LP 5.02% due Nov. 21, 2012	1,111,000	1,114,539	474,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	501,261	592,824
419,796	Arrow Lakes Power Corporation 5.39% due Mar. 31, 2015	427,102	443,724	328,000	Greater Toronto Airports Authority 6.98% due Oct. 15, 2032	355,537	406,934
1,214,000	Bank of Montreal 4.65% due Mar. 14, 2013	1,213,429	1,230,054	600,000	Household Financial Corporation Ltd. 6.44% due Jun. 1, 2007	652,454	604,759
719,000	Bank of Montreal 4.63% due Dec. 31, 2015	708,946	706,159	590,000	Household Financial Corporation Ltd. 4.20% due Apr. 13, 2009	587,705	588,636
833,000	Bank of Montreal 5.10% due Apr. 21, 2016	831,502	861,857				

The accompanying notes are an integral part of the financial statements

Scotia Total Return Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
815,000	KFW International Finance Inc. 4.38% due Feb. 9, 2016	807,967	815,117	376,000	Toronto-Dominion Bank (callable) 4.54% due Sep. 5, 2013-(2008)	377,308	377,455
784,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	783,812	794,228	345,000	Toronto-Dominion Bank (callable) 5.69% due Jun. 3, 2018-(2013)	360,629	368,077
604,000	Manulife Bank of Canada 4.68% due Sep. 12, 2016	602,901	607,893	1,561,000	Toronto-Dominion Bank (callable) 4.97% due Oct. 30, 2104-(2015)	1,585,148	1,578,944
545,000	Manulife Financial Delaware (callable) 5.06% due Dec. 15, 2041-(2036)	544,684	537,638	580,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	580,000	574,355
300,000	Maritimes & Northeast Pipelines LLP 6.90% due Nov. 30, 2019	331,652	342,512	1,254,000	Wells Fargo Financial Canada Corporation 4.40% due Dec. 12, 2012	1,251,242	1,252,906
303,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	303,000	305,054	523,000	Wells Fargo Financial Canada Corporation 4.33% due Dec. 6, 2013	522,812	518,896
1,229,000	Ontrea Inc. 5.70% due Oct. 31, 2011	1,309,464	1,308,025	325,000	West Fraser Timber Ltd. 4.94% due Oct. 19, 2009	325,839	326,465
688,000	Principal Financial Global Fund II 4.65% due Oct. 11, 2016	687,236	684,299	1,123,000	YPG Holdings Inc. 6.25% due Feb. 15, 2036	1,118,626	1,111,366
224,000	RioCan Real Estate Investment Trust 5.29% due Sep. 21, 2009	224,668	227,525			48,366,754	49,182,062
421,000	Royal Bank of Canada 4.92% due Jul. 6, 2011	420,962	431,318		TOTAL BONDS AND DEBENTURES	164,974,429	167,865,918
621,000	Royal Bank of Canada 5.95% due Jun. 18, 2014	671,434	670,510		SHORT-TERM NOTES - 2.9%		
2,323,000	Royal Bank of Canada Capital Trust 4.87% due Dec. 31, 2015	2,328,451	2,320,051	100,000	Government of Canada Treasury Bills 4.18% due Feb. 22, 2007	98,901	99,388
1,223,000	Royal Bank of Scotland 5.37% due May 12, 2016	1,222,437	1,263,456	650,000	Canadian Imperial Bank of Commerce Bankers' Acceptances 4.30% due Feb. 2, 2007	643,481	647,423
980,000	SLM Corporation 4.63% due Jun. 15, 2011	973,291	985,804	4,600,000	Bank of Montreal Bankers' Acceptances 4.28% to 4.32% due from Jan. 5, 2007 to Mar. 5, 2007	4,579,316	4,589,401
84,000	Sun Life Capital Trust 7.09% due Jun. 30, 2032	104,725	103,111	1,400,000	Royal Bank of Canada Bankers' Acceptances 4.29% to 4.31% due from Jan. 19, 2007 to Mar. 6, 2007	1,387,056	1,391,139
1,498,000	Sun Life Financial Services Inc. 4.95% due Jun. 1, 2016	1,493,611	1,527,567	6,600,000	Royal Bank of Canada Bearers' Deposit Notes 4.28% to 4.32% due from Jan. 15, 2007 to Feb. 27, 2007	6,552,309	6,569,838
55,000	Sun Life Financial Services Inc. 5.00% due Jul. 11, 2031	54,911	56,315	100,000	Toronto-Dominion Bank Bankers' Acceptances 4.29% due Feb. 1, 2007	98,930	99,616
2,513,000	TCNZ Finance Ltd 4.75% due Oct. 11, 2013	2,509,348	2,498,114		TOTAL SHORT-TERM NOTES	13,359,993	13,396,805
1,208,000	TD Banknorth N.A. (callable) 4.64% due Sep. 20, 2022-(2017)	1,208,000	1,191,931		TOTAL INVESTMENT PORTFOLIO	402,049,617	452,959,608
66,000	Terasen Gas Inc. 5.90% due Feb. 26, 2035	70,688	71,066		OTHER ASSETS, LESS LIABILITIES - 1.8%		8,300,525
591,000	Terasen Gas Inc. 5.55% due Sep. 25, 2036	590,911	606,859		TOTAL NET ASSETS - 100.0%		461,260,133
334,000	Terasen Inc. 6.50% due May 1, 2034	383,723	387,850				
198,000	Toromont Industries Ltd. 4.92% due Oct. 13, 2015	197,907	197,741				

BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contract Price \$	Contractual Market Value in Canadian \$
64	US 10 Year Note Future — March, 2007	108	8,014,262

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Scotia Total Return Fund (Continued)

COMMITMENTS - FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/ (Depreciation)
Mar. 15, 2007	Australian Dollar	2,590,827	U.S. Dollar	2,033,799	2,373,896	4,109
Mar. 15, 2007	British Pound	3,094,230	U.S. Dollar	6,126,776	7,060,138	(78,796)
Mar. 15, 2007	British Pound	94,242	U.S. Dollar	184,446	215,033	115
Mar. 15, 2007	Canadian Dollar	6,194,101	U.S. Dollar	5,385,800	6,262,000	(67,899)
Mar. 15, 2007	Canadian Dollar	5,951,732	U.S. Dollar	5,160,700	6,000,279	(48,547)
Mar. 15, 2007	Euro	591,294	U.S. Dollar	781,395	912,030	1,547
Mar. 15, 2007	Hong Kong Dollar	6,015,208	U.S. Dollar	776,156	903,652	(727)
Mar. 15, 2007	Japanese Yen	229,234,692	U.S. Dollar	2,002,050	2,264,423	(68,370)
Mar. 15, 2007	Japanese Yen	44,588,941	U.S. Dollar	391,839	440,458	(16,114)
Mar. 15, 2007	Norwegian Krone	3,128,976	U.S. Dollar	503,869	586,057	(1,052)
Mar. 15, 2007	Norwegian Krone	2,516,663	U.S. Dollar	414,341	471,371	(11,420)
Mar. 15, 2007	Swedish Krona	327,512	U.S. Dollar	48,646	56,037	(646)
Mar. 15, 2007	Swedish Krona	1,270,762	U.S. Dollar	189,666	217,425	(3,574)
Mar. 15, 2007	Swedish Krona	3,094,186	U.S. Dollar	455,859	529,410	(1,758)
Mar. 15, 2007	Swedish Krona	1,205,211	U.S. Dollar	176,368	206,209	705
Mar. 15, 2007	Swiss Franc	4,211,135	U.S. Dollar	3,563,292	4,049,661	(102,296)
Mar. 15, 2007	U.S. Dollar	265,504	Australian Dollar	339,820	311,366	(2,000)
Mar. 15, 2007	U.S. Dollar	187,007	Swiss Franc	221,626	213,128	4,773
Mar. 15, 2007	U.S. Dollar	55,488	Danish Krone	308,950	63,902	753
Mar. 15, 2007	U.S. Dollar	11,357,150	Euro	8,469,721	13,063,958	169,420
Mar. 15, 2007	U.S. Dollar	902,949	Euro	676,716	1,043,788	8,331
Mar. 15, 2007	U.S. Dollar	370,491	Euro	279,176	430,609	1,088
Mar. 15, 2007	U.S. Dollar	178,053	British Pound	90,505	206,507	961
Mar. 15, 2007	U.S. Dollar	721,293	Japanese Yen	82,782,073	817,737	22,715
Mar. 15, 2007	U.S. Dollar	287,852	Japanese Yen	33,890,250	334,774	632
Mar. 15, 2007	U.S. Dollar	470,663	Singapore Dollar	722,467	550,713	(2,296)
Mar. 15, 2007	U.S. Dollar	303,810	Singapore Dollar	465,467	354,811	(811)
Mar. 15, 2007	U.S. Dollar	2,431,781	Norwegian Krone	14,809,549	2,773,829	59,689
Mar. 15, 2007	U.S. Dollar	195,716	New Zealand Dollar	285,716	233,282	(5,233)
					<u>52,946,483</u>	<u>(136,701)</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Total Return Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$452,959,608	\$436,799,454
Cash	1,150,247	476,921
Accrued investment income	1,724,596	1,651,569
Receivable for securities sold	6,484,647	6,446,389
Subscriptions receivable	12,947	10,611
	<u>462,332,045</u>	<u>445,384,944</u>
LIABILITIES		
Payable for securities purchased	145,056	2,516,395
Distributions payable	588	445
Redemptions payable	29,397	88,483
Accrued expenses	736,652	754,675
Payable for currency forward contracts	136,701	184,249
Payable for futures contracts	23,518	—
	<u>1,071,912</u>	<u>3,544,247</u>
Net assets	<u>\$461,260,133</u>	<u>\$441,840,697</u>
NET ASSETS PER CLASS		
Class A Units	\$461,239,127	\$441,821,971
Class F Units	\$ 21,006	\$ 18,726
UNITS OUTSTANDING		
Class A Units	25,268,510	26,588,149
Class F Units	1,135	1,112
NET ASSET VALUE PER UNIT		
Class A Units	\$ 18.25	\$ 16.62
Class F Units	\$ 18.51	\$ 16.85

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 5,166,760	\$ 5,392,542
Interest	9,423,377	9,870,269
Securities lending	47,374	13,061
Foreign withholding taxes	(332,469)	(323,821)
	<u>14,305,042</u>	<u>14,952,051</u>
EXPENSES		
Management fees (note 4)	7,736,687	8,004,363
Audit fees	21,123	16,896
Directors/trustee fees	2,755	2,642
Custodian fees	188,667	168,518
Filing fees	27,402	34,381
Legal fees	13,715	3,283
Unitholder reporting	126,365	144,178
Unitholder administration, service fees and GST	1,078,402	1,111,484
	<u>9,195,116</u>	<u>9,485,745</u>
Absorbed expenses	(10,876)	(69,907)
	<u>9,184,240</u>	<u>9,415,838</u>
Net investment income (loss)	<u>5,120,802</u>	<u>5,536,213</u>
Net realized gain (loss) on investments sold	29,346,470	25,386,700
Net realized gain (loss) on foreign exchange	(142,029)	(168,585)
Change in unrealized appreciation (depreciation) of investments	12,720,106	15,650,115
Change in unrealized appreciation (depreciation) of currency forward	16,511	5,607
Net gain (loss) on investments	<u>41,941,058</u>	<u>40,873,837</u>
Increase (decrease) in net assets from operations	<u>\$47,061,860</u>	<u>\$ 46,410,050</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$47,059,580	\$ 46,408,013
Class F Units	\$ 2,280	\$ 2,037
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.82	\$ 1.67
Class F Units	\$ 2.03	\$ 1.85

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$441,821,971	\$444,476,536
Class F Units	18,726	16,791
	<u>441,840,697</u>	<u>444,493,327</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	47,059,580	46,408,013
Class F Units	2,280	2,037
	<u>47,061,860</u>	<u>46,410,050</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(5,100,602)	(5,228,435)
Class F Units	(407)	(388)
	<u>(5,101,009)</u>	<u>(5,228,823)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	52,554,885	46,030,313
Reinvested distributions		
Class A Units	5,080,228	5,207,135
Class F Units	407	388
Payments on redemption		
Class A Units	(80,176,935)	(95,071,591)
Class F Units	—	(102)
	<u>(22,541,415)</u>	<u>(43,833,857)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	19,417,156	(2,654,565)
Class F Units	2,280	1,935
	<u>19,419,436</u>	<u>(2,652,630)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	461,239,127	441,821,971
Class F Units	21,006	18,726
	<u>\$461,260,133</u>	<u>\$441,840,697</u>

Scotia Selected Income & Modest Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 69.8%			
5,156,196	Scotia Canadian Income Fund Class I	68,021,388	66,643,839
2,649,915	Scotia CanGlobal Income Fund Class I	24,185,092	22,323,146
6,261,340	Scotia Mortgage Income Fund Class I	67,791,521	67,333,822
		<u>159,998,001</u>	<u>156,300,807</u>
CANADIAN EQUITIES – 15.0%			
287,681	Scotia Canadian Dividend Fund Class I	8,934,769	11,254,395
306,224	Scotia Canadian Growth Fund Class I	16,993,515	22,371,009
		<u>25,928,284</u>	<u>33,625,404</u>
FOREIGN EQUITIES – 15.1%			
2,019,110	Capital International – International Equity Series I	15,864,350	20,424,709
1,406,149	Capital International – U.S. Equity Series I	12,198,277	13,396,384
		<u>28,062,627</u>	<u>33,821,093</u>
	TOTAL INVESTMENT PORTFOLIO	<u>213,988,912</u>	<u>223,747,304</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>290,602</u>
	TOTAL NET ASSETS – 100.0%		<u>224,037,906</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$223,747,304	\$184,024,823
Cash	1,041,280	3,853,726
Accrued investment income	2,778	4,462
Receivable for securities sold	195,891	–
	<u>224,987,253</u>	<u>187,883,011</u>
LIABILITIES		
Payable for securities purchased	644,227	1,888,562
Distributions payable	2,214	3,637
Accrued expenses	302,906	263,878
	<u>949,347</u>	<u>2,156,077</u>
Net assets	<u>\$224,037,906</u>	<u>\$185,726,934</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$224,037,906</u>	<u>\$185,726,934</u>
UNITS OUTSTANDING		
Class A Units	<u>18,940,843</u>	<u>16,313,266</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 11.83</u>	<u>\$ 11.38</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 754,810	\$ 651,268
Interest	50,617	77,355
Interest distributions received	6,331,698	3,374,929
Foreign withholding taxes	(50,306)	(72,719)
	<u>7,086,819</u>	<u>4,030,833</u>
EXPENSES		
Management fees (note 4)	3,266,321	1,788,413
Audit fees	16,749	12,994
Directors'/trustee fees	2,755	2,642
Filing fees	17,343	14,747
Legal fees	3,206	1,168
Unitholder reporting	27,836	14,841
Unitholder administration, service fees and GST	309,689	184,021
	<u>3,643,899</u>	<u>2,018,826</u>
Absorbed expenses	(111)	(2,476)
	<u>3,643,788</u>	<u>2,016,350</u>
Net investment income (loss)	<u>3,443,031</u>	<u>2,014,483</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	1,604,590	10,023
Change in unrealized appreciation (depreciation) of investments	1,019,544	1,441,827
	<u>6,176,011</u>	<u>2,280,169</u>
Net gain (loss) on investments	<u>8,800,145</u>	<u>3,732,019</u>
Increase (decrease) in net assets from operations	<u>\$12,243,176</u>	<u>\$5,746,502</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$12,243,176</u>	<u>\$5,746,502</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 0.69</u>	<u>\$ 0.58</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	<u>\$185,726,934</u>	<u>\$ 72,550,049</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>12,243,176</u>	<u>5,746,502</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(3,443,030)	(2,014,484)
From realized gain		
Class A Units	(1,054,254)	(1,148,440)
	<u>(4,497,284)</u>	<u>(3,162,924)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	61,946,967	123,864,223
Reinvested distributions		
Class A Units	4,495,552	3,159,387
Payments on redemption		
Class A Units	(35,877,439)	(16,430,303)
	<u>30,565,080</u>	<u>110,593,307</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>38,310,972</u>	<u>113,176,885</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$224,037,906</u>	<u>\$185,726,934</u>

Scotia Selected Balanced Income & Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 45.2%			
10,843,062	Scotia Canadian Income Fund Class I	142,734,109	140,146,577
6,654,714	Scotia CanGlobal Income Fund Class I	59,709,583	56,059,979
5,243,866	Scotia Mortgage Income Fund Class I	56,709,671	56,392,006
		<u>259,153,363</u>	<u>252,598,562</u>
CANADIAN EQUITIES – 28.8%			
1,999,046	Scotia Canadian Dividend Fund Class I	64,239,433	78,204,893
1,137,139	Scotia Canadian Growth Fund Class I	65,773,348	83,072,914
		<u>130,012,781</u>	<u>161,277,807</u>
FOREIGN EQUITIES – 26.1%			
1,433,769	Capital International – Global Small Cap Series I	13,250,475	17,016,836
7,246,958	Capital International – International Equity Series I	58,238,490	73,308,056
2,913,484	Capital International – U.S. Equity Series I	25,388,819	27,756,759
2,611,826	Scotia American Growth Fund Class I	24,928,807	27,831,360
		<u>121,806,591</u>	<u>145,913,011</u>
	TOTAL INVESTMENT PORTFOLIO	<u>510,972,735</u>	<u>559,789,380</u>
	OTHER ASSETS, LESS LIABILITIES – (0.1%)		<u>(285,227)</u>
	TOTAL NET ASSETS – 100.0%		<u>559,504,153</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$559,789,380	\$380,208,663
Cash	2,038,501	8,404,280
Accrued investment income	–	3,229
Subscriptions receivable	5,473	–
	<u>561,833,354</u>	<u>388,616,172</u>
LIABILITIES		
Payable for securities purchased	1,489,606	4,407,510
Distributions payable	6,758	1,969
Accrued expenses	832,837	569,344
	<u>2,329,201</u>	<u>4,978,823</u>
Net assets	<u>\$559,504,153</u>	<u>\$383,637,349</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$559,504,153</u>	<u>\$383,637,349</u>
UNITS OUTSTANDING		
Class A Units	<u>41,814,547</u>	<u>30,879,019</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 13.38</u>	<u>\$ 12.42</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 3,319,191	\$ 2,074,522
Interest	131,651	150,297
Interest distributions received	9,405,505	4,257,838
Foreign withholding taxes	(158,965)	(189,910)
	<u>12,697,382</u>	<u>6,292,747</u>
EXPENSES		
Management fees (note 4)	8,251,404	3,797,722
Audit fees	16,679	12,994
Directors'/trustee fees	2,755	2,641
Filing fees	29,645	19,681
Legal fees	5,447	1,168
Unitholder reporting	48,984	26,758
Unitholder administration, service fees and GST	718,457	359,722
	<u>9,073,371</u>	<u>4,220,686</u>
Absorbed expenses	(2,473)	(4,717)
	<u>9,070,898</u>	<u>4,215,969</u>
Net investment income (loss)	<u>3,626,484</u>	<u>2,076,778</u>
Net realized gain (loss) on investments sold	4,308,378	477,912
Capital gains distributions received from investments	3,039,953	2,693,423
Change in unrealized appreciation (depreciation) of investments	31,696,654	13,065,447
Net gain (loss) on investments	<u>39,044,985</u>	<u>16,236,782</u>
Increase (decrease) in net assets from operations	<u>\$42,671,469</u>	<u>\$18,313,560</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$42,671,469</u>	<u>\$18,313,560</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.15</u>	<u>\$ 1.01</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	<u>\$383,637,349</u>	<u>\$128,785,931</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>42,671,469</u>	<u>18,313,560</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(3,626,483)	(2,076,778)
From realized gain		
Class A Units	<u>(2,559,627)</u>	<u>(2,162,293)</u>
	<u>(6,186,110)</u>	<u>(4,239,071)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	188,142,015	259,982,595
Reinvested distributions		
Class A Units	6,180,305	4,237,174
Payments on redemption		
Class A Units	<u>(54,940,875)</u>	<u>(23,442,840)</u>
	<u>139,381,445</u>	<u>240,776,929</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>175,866,804</u>	<u>254,851,418</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$559,504,153</u>	<u>\$383,637,349</u>

Scotia Selected Conservative Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 23.7%			
2,910,525	Scotia Canadian Income Fund Class I	38,303,529	37,618,532
1,666,027	Scotia CanGlobal Income Fund Class I	14,133,230	14,034,813
3,152,579	Scotia Mortgage Income Fund Class I	34,013,577	33,902,521
		<u>86,450,336</u>	<u>85,555,866</u>
CANADIAN EQUITIES – 38.6%			
1,410,990	Scotia Canadian Dividend Fund Class I	49,053,727	55,199,430
772,647	Scotia Canadian Growth Fund Class I	49,102,528	56,445,151
1,065,781	Scotia Canadian Small Cap Fund Class I	29,397,132	27,382,549
		<u>127,553,387</u>	<u>139,027,130</u>
FOREIGN EQUITIES – 37.9%			
1,302,786	Capital International – Global Small Cap Series I	12,859,906	15,462,300
5,341,295	Capital International – International Equity Series I	45,069,788	54,030,562
5,183,088	Capital International – U.S. Equity Series I	45,488,881	49,379,153
1,647,682	Scotia American Growth Fund Class I	15,813,115	17,557,532
		<u>119,231,690</u>	<u>136,429,547</u>
	TOTAL INVESTMENT PORTFOLIO	<u><u>333,235,413</u></u>	<u><u>361,012,543</u></u>
	OTHER ASSETS, LESS LIABILITIES – (0.2%)		<u><u>(611,172)</u></u>
	TOTAL NET ASSETS – 100.0%		<u><u>360,401,371</u></u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$361,012,543	\$221,984,441
Cash	797,939	5,434,019
Accrued investment income	–	2,154
Subscriptions receivable	14,010	–
	<u>361,824,492</u>	<u>227,420,614</u>
LIABILITIES		
Payable for securities purchased	818,420	2,863,567
Distributions payable	5,068	2,507
Redemptions payable	12,919	–
Accrued expenses	586,714	298,445
	<u>1,423,121</u>	<u>3,164,519</u>
Net assets	<u><u>\$360,401,371</u></u>	<u><u>\$224,256,095</u></u>
NET ASSETS PER CLASS		
Class A Units	<u><u>\$360,401,371</u></u>	<u><u>\$224,256,095</u></u>
UNITS OUTSTANDING		
Class A Units	<u><u>24,532,876</u></u>	<u><u>16,733,666</u></u>
NET ASSET VALUE PER UNIT		
Class A Units	<u><u>\$ 14.69</u></u>	<u><u>\$ 13.40</u></u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 2,757,215	\$1,354,943
Interest	101,305	37,826
Interest distributions received	3,310,794	317,206
Foreign withholding taxes	(173,791)	(165,350)
	<u>5,995,523</u>	<u>1,544,625</u>
EXPENSES		
Management fees (note 4)	5,644,850	611,939
Audit fees	16,701	9,314
Directors'/trustee fees	2,755	2,642
Filing fees	29,862	13,586
Legal fees	3,734	1,168
Unitholder reporting	32,875	4,777
Unitholder administration, service fees and GST	479,509	71,540
	<u>6,210,286</u>	<u>714,966</u>
Absorbed expenses	(1,801)	(3,592)
	<u>6,208,485</u>	<u>711,374</u>
Net investment income (loss)	<u>(212,962)</u>	<u>833,251</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	423,922	82,695
Change in unrealized appreciation (depreciation) of investments	6,438,164	1,857,695
	<u>24,503,425</u>	<u>2,921,616</u>
Net gain (loss) on investments	<u>31,365,511</u>	<u>4,862,006</u>
Increase (decrease) in net assets from operations	<u><u>\$31,152,549</u></u>	<u><u>\$5,695,257</u></u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u><u>\$31,152,549</u></u>	<u><u>\$5,695,257</u></u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u><u>\$ 1.45</u></u>	<u><u>\$ 2.27</u></u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	<u>\$224,256,095</u>	<u>\$ 9,983,562</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>31,152,549</u>	<u>5,695,257</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	–	(833,251)
From realized gain		
Class A Units	<u>(3,137,324)</u>	<u>(1,873,161)</u>
	<u>(3,137,324)</u>	<u>(2,706,412)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	136,348,365	214,531,421
Reinvested distributions		
Class A Units	3,132,225	2,703,905
Payments on redemption		
Class A Units	<u>(31,350,539)</u>	<u>(5,951,638)</u>
	<u>108,130,051</u>	<u>211,283,688</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>136,145,276</u>	<u>214,272,533</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u><u>\$360,401,371</u></u>	<u><u>\$224,256,095</u></u>

Scotia Selected Aggressive Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 9.4%			
568,549	Scotia Canadian Income Fund Class I	7,467,658	7,348,498
CANADIAN EQUITIES – 44.8%			
257,034	Scotia Canadian Dividend Fund Class I	8,959,374	10,055,456
271,184	Scotia Canadian Growth Fund Class I	17,317,538	19,811,126
200,996	Scotia Canadian Small Cap Fund Class I	5,565,944	5,164,080
		<u>31,842,856</u>	<u>35,030,662</u>
FOREIGN EQUITIES – 45.7%			
343,507	Capital International – Global Small Cap Series I	3,409,394	4,076,951
1,390,075	Capital International – International Equity Series I	11,792,273	14,061,577
1,437,838	Capital International – U.S. Equity Series I	12,633,749	13,698,284
411,020	Capital International – U.S. Small Cap Series I	3,524,478	3,867,079
		<u>31,359,894</u>	<u>35,703,891</u>
	TOTAL INVESTMENT PORTFOLIO	<u>70,670,408</u>	<u>78,083,051</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>44,327</u>
	TOTAL NET ASSETS – 100.0%		<u>78,127,378</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$78,083,051	\$43,267,409
Cash	432,265	3,382,926
Accrued investment income	–	695
	<u>78,515,316</u>	<u>46,651,030</u>
LIABILITIES		
Payable for securities purchased	246,103	2,231,259
Accrued expenses	141,835	62,828
	<u>387,938</u>	<u>2,294,087</u>
Net assets	<u>\$78,127,378</u>	<u>\$44,356,943</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$78,127,378</u>	<u>\$44,356,943</u>
UNITS OUTSTANDING		
Class A Units	<u>4,981,270</u>	<u>3,172,512</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 15.68</u>	<u>\$ 13.98</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 671,664	\$ 309,450
Interest	26,669	7,517
Interest distributions received	285,943	26,215
Foreign withholding taxes	(51,638)	(39,331)
	<u>932,638</u>	<u>303,851</u>
EXPENSES		
Management fees (note 4)	1,312,828	133,258
Audit fees	13,742	9,314
Directors'/trustee fees	2,755	2,641
Filing fees	14,988	13,528
Legal fees	1,837	1,168
Unitholder reporting	15,014	2,758
Unitholder administration, service fees and GST	126,541	30,439
	<u>1,487,705</u>	<u>193,106</u>
Absorbed expenses	(11,157)	(38,945)
	<u>1,476,548</u>	<u>154,161</u>
Net investment income (loss)	(543,910)	149,690
Net realized gain (loss) on investments sold	114,213	34,172
Capital gains distributions received from investments	1,442,841	301,111
Change in unrealized appreciation (depreciation) of investments	6,564,628	736,750
Net gain (loss) on investments	<u>8,121,682</u>	<u>1,072,033</u>
Increase (decrease) in net assets from operations	<u>\$7,577,772</u>	<u>\$1,221,723</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$7,577,772</u>	<u>\$1,221,723</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.75</u>	<u>\$ 2.56</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$44,356,943	\$ 2,354,228
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>7,577,772</u>	<u>1,221,723</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	–	(149,690)
From realized gain		
Class A Units	–	(317,266)
	<u>–</u>	<u>(466,956)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	33,527,076	41,982,588
Reinvested distributions		
Class A Units	347	466,956
Payments on redemption		
Class A Units	(7,334,760)	(1,201,596)
	<u>26,192,663</u>	<u>41,247,948</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>33,770,435</u>	<u>42,002,715</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$78,127,378</u>	<u>\$44,356,943</u>

Scotia Partners Income & Modest Growth Portfolio

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 68.6%			
5,321,570	Fidelity Canadian Bond Fund Series O	68,502,074	69,195,306
8,060,673	Scotia Canadian Income Fund Class I	106,313,176	104,184,205
6,622,484	Trimark Canadian Bond Fund Series I	71,103,627	70,900,316
		<u>245,918,877</u>	<u>244,279,827</u>
CANADIAN EQUITIES – 15.6%			
2,285,465	Mackenzie Ivy Canadian Fund Series O	29,179,645	32,537,934
1,456,434	Mackenzie Universal Canadian Growth Fund Series O	19,658,132	23,045,586
		<u>48,837,777</u>	<u>55,583,520</u>
FOREIGN EQUITIES – 15.7%			
562,276	Fidelity Global Fund Series O	17,764,586	22,732,874
2,234,278	Templeton Growth Fund Class O	25,112,390	33,290,738
		<u>42,876,976</u>	<u>56,023,612</u>
	TOTAL INVESTMENT PORTFOLIO	<u><u>337,633,630</u></u>	<u><u>355,886,959</u></u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>420,252</u>
	TOTAL NET ASSETS – 100.0%		<u><u>356,307,211</u></u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$355,886,959	\$293,042,490
Cash	1,399,784	5,748,865
Accrued investment income	1,288	7,530
Subscriptions receivable	–	6,393
	<u>357,288,031</u>	<u>298,805,278</u>
LIABILITIES		
Payable for securities purchased	376,287	2,669,197
Distributions payable	7,441	5,666
Redemptions payable	22,415	2,200
Accrued expenses	574,677	475,862
	<u>980,820</u>	<u>3,152,925</u>
Net assets	<u>\$356,307,211</u>	<u>\$295,652,353</u>
NET ASSETS PER CLASS		
Class A Units	\$356,298,401	\$295,624,758
Class F Units	\$ 8,810	\$ 27,595
UNITS OUTSTANDING		
Class A Units	29,388,780	25,385,710
Class F Units	697	2,296
NET ASSET VALUE PER UNIT		
Class A Units	\$ 12.12	\$ 11.65
Class F Units	\$ 12.64	\$ 12.02

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ –	\$ 15,918
Interest	86,534	128,992
Interest distributions received	10,693,363	6,308,442
	<u>10,779,897</u>	<u>6,453,352</u>
EXPENSES		
Management fees (note 4)	6,005,103	3,525,745
Audit fees	16,749	12,994
Directors'/trustee fees	2,755	2,642
Filing fees	26,685	21,986
Legal fees	4,510	1,952
Unitholder reporting	39,981	24,460
Unitholder administration, service fees and GST	539,280	334,455
	<u>6,635,063</u>	<u>3,924,234</u>
Absorbed expenses	(7,590)	(11,695)
	<u>6,627,473</u>	<u>3,912,539</u>
Net investment income (loss)	4,152,424	2,540,813
Net realized gain (loss) on investments sold	1,091,951	–
Capital gains distributions received from investments	3,230,302	3,189,223
Change in unrealized appreciation (depreciation) of investments	10,037,410	3,509,179
Net gain (loss) on investments	<u>14,359,663</u>	<u>6,698,402</u>
Increase (decrease) in net assets from operations	<u>\$18,512,087</u>	<u>\$9,239,215</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$18,510,850	\$9,237,174
Class F Units	\$ 1,237	\$ 2,041
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.67	\$ 0.56
Class F Units	\$ 0.62	\$ 0.79

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$295,624,758	\$108,323,980
Class F Units	27,595	46,780
	<u>295,652,353</u>	<u>108,370,760</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	18,510,850	9,237,174
Class F Units	1,237	2,041
	<u>18,512,087</u>	<u>9,239,215</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(4,154,322)	(2,540,577)
Class F Units	(103)	(237)
From realized gain		
Class A Units	(1,216,362)	(2,458,221)
Class F Units	(30)	(229)
	<u>(5,370,817)</u>	<u>(4,999,264)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	102,822,422	205,221,024
Reinvested distributions		
Class A Units	5,363,022	4,993,087
Class F Units	133	466
Payments on redemption		
Class A Units	(60,651,967)	(27,151,709)
Class F Units	(20,022)	(21,226)
	<u>47,513,588</u>	<u>183,041,642</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	60,673,643	187,300,778
Class F Units	(18,785)	(19,185)
	<u>60,654,858</u>	<u>187,281,593</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	356,298,401	295,624,758
Class F Units	8,810	27,595
	<u>\$356,307,211</u>	<u>\$295,652,353</u>

The accompanying notes are an integral part of the financial statements

Scotia Partners Balanced Income & Growth Portfolio

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 43.0%			
11,049,152	Bissett Bond Fund Class O	156,563,140	156,676,969
24,165,591	Scotia Canadian Income Fund Class I	317,647,609	312,340,266
		<u>474,210,749</u>	<u>469,017,235</u>
CANADIAN EQUITIES 26.5%			
2,219,094	AGF Canadian Stock Fund Series O	90,243,301	125,800,463
11,463,131	Mackenzie Ivy Canadian Fund Series O	148,167,911	163,199,450
		<u>238,411,212</u>	<u>288,999,913</u>
FOREIGN EQUITIES – 30.7%			
5,589,801	CI Global Fund Class I	72,223,338	92,790,695
1,694,612	Fidelity Global Fund Series O	54,369,640	68,513,345
2,336,868	Templeton Global Smaller Companies Fund Class O	47,715,608	59,309,708
2,541,231	Trimark Fund Series I	91,450,521	113,867,459
		<u>265,759,107</u>	<u>334,481,207</u>
	TOTAL INVESTMENT PORTFOLIO	<u>978,381,068</u>	<u>1,092,498,355</u>
	OTHER ASSETS, LESS LIABILITIES – (0.2)%		<u>(2,127,244)</u>
	TOTAL NET ASSETS – 100.0%		<u>1,090,371,111</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$1,092,498,355	\$755,732,689
Cash	2,279,417	15,614,687
Accrued investment income	24,927	44,524
Subscriptions receivable	1,414	9,834
	<u>1,094,804,113</u>	<u>771,401,734</u>
LIABILITIES		
Payable for securities purchased	2,560,256	7,351,924
Distributions payable	15	7,589
Redemptions payable	25,530	–
Accrued expenses	1,847,201	1,331,090
	<u>4,433,002</u>	<u>8,690,603</u>
Net assets	<u>\$1,090,371,111</u>	<u>\$762,711,131</u>
NET ASSETS PER CLASS		
Class A Units	\$1,090,056,969	\$762,215,180
Class F Units	\$ 314,142	\$ 495,951
UNITS OUTSTANDING		
Class A Units	80,295,659	61,555,366
Class F Units	22,232	38,889
NET ASSET VALUE PER UNIT		
Class A Units	\$ 13.58	\$ 12.38
Class F Units	\$ 14.13	\$ 12.75

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 2,516,765	\$ 1,640,507
Interest	217,202	339,243
Interest distributions received	18,522,501	10,088,109
Rebates of management fees received	–	386,314
Foreign withholding taxes	(249,801)	(122,094)
	<u>21,006,667</u>	<u>12,332,079</u>
EXPENSES		
Management fees (note 4)	18,527,654	9,938,803
Audit fees	19,601	14,889
Directors'/trustee fees	2,755	2,642
Filing fees	56,137	40,995
Legal fees	9,670	1,952
Unitholder reporting	88,544	58,235
Unitholder administration, service fees and GST	1,547,652	882,749
	<u>20,252,013</u>	<u>10,940,265</u>
Absorbed expenses	(8,218)	(16,207)
	<u>20,243,795</u>	<u>10,924,058</u>
Net investment income (loss)	<u>762,872</u>	<u>1,408,021</u>
Net realized gain (loss) on investments sold	3,359,823	364,041
Capital gains distributions received from investments	12,835,108	8,724,860
Change in unrealized appreciation (depreciation) of investments	77,115,538	21,460,263
Net gain (loss) on investments	<u>93,310,469</u>	<u>30,549,164</u>
Increase (decrease) in net assets from operations	<u>\$94,073,341</u>	<u>\$31,957,185</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$94,034,215	\$31,924,188
Class F Units	\$ 39,126	\$ 32,997
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.29	\$ 0.78
Class F Units	\$ 1.24	\$ 0.93

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 762,215,180	\$281,632,327
Class F Units	495,951	440,752
	<u>762,711,131</u>	<u>282,073,079</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	94,034,215	31,924,188
Class F Units	39,126	32,997
	<u>94,073,341</u>	<u>31,957,185</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(764,652)	(1,407,109)
Class F Units	(220)	(912)
From realized gain		
Class A Units	(4,099,878)	(6,609,156)
Class F Units	(1,182)	(4,283)
	<u>(4,865,932)</u>	<u>(8,021,460)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	349,187,098	501,011,836
Class F Units	17,500	98,134
Reinvested distributions		
Class A Units	4,866,111	8,008,721
Class F Units	1,403	5,195
Payments on redemption		
Class A Units	(115,381,105)	(52,345,627)
Class F Units	(238,436)	(75,932)
	<u>238,452,571</u>	<u>456,702,327</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	327,841,789	480,582,853
Class F Units	(181,809)	55,199
	<u>327,659,980</u>	<u>480,638,052</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,090,056,969	762,215,180
Class F Units	314,142	495,951
	<u>\$1,090,371,111</u>	<u>\$762,711,131</u>

Scotia Partners Conservative Growth Portfolio

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 24.8%			
12,827,607	Scotia Canadian Income Fund Class I	168,473,034	165,796,818
10,356,758	Trimark Canadian Bond Fund Series I	111,137,782	110,879,456
		<u>279,610,816</u>	<u>276,676,274</u>
CANADIAN EQUITIES – 32.9%			
1,457,785	AGF Canadian Stock Fund Series O	61,002,646	82,641,859
3,746,002	CI Canadian Investment Fund Class I	93,821,912	110,207,370
3,109,654	Fidelity True North Fund Series O	79,502,472	99,806,819
4,797,057	Trimark Canadian Fund Series I	67,587,063	73,332,615
		<u>301,914,093</u>	<u>365,988,663</u>
FOREIGN EQUITIES – 42.5%			
3,147,684	AGF International Value Fund Series O	130,352,467	158,580,311
7,443,197	CI Global Fund Class I	97,808,871	123,557,067
2,764,952	Fidelity Global Fund Series O	90,250,249	111,787,276
3,145,969	Templeton Global Smaller Companies Fund Class O	64,857,630	79,844,688
		<u>383,269,217</u>	<u>473,769,342</u>
	TOTAL INVESTMENT PORTFOLIO	<u>964,794,126</u>	<u>1,116,434,279</u>
	OTHER ASSETS, LESS LIABILITIES – (0.2)%		<u>(2,678,947)</u>
	TOTAL NET ASSETS – 100.0%		<u>1,113,755,332</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$1,116,434,279	\$685,184,890
Cash	2,901,750	17,815,136
Subscriptions receivable	21,816	2,224
	<u>1,119,357,845</u>	<u>703,002,250</u>
LIABILITIES		
Payable for securities purchased	3,579,355	9,560,501
Distributions payable	–	2,392
Redemptions payable	22,134	–
Accrued expenses	2,001,024	1,275,430
	<u>5,602,513</u>	<u>10,838,323</u>
Net assets	<u>\$1,113,755,332</u>	<u>\$692,163,927</u>
NET ASSETS PER CLASS		
Class A Units	\$1,113,130,692	\$691,809,922
Class F Units	\$ 624,640	\$ 354,005
UNITS OUTSTANDING		
Class A Units	72,826,752	51,506,685
Class F Units	39,277	25,585
NET ASSET VALUE PER UNIT		
Class A Units	\$ 15.28	\$ 13.43
Class F Units	\$ 15.90	\$ 13.84

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 3,634,368	\$ 3,712,207
Interest	271,750	305,341
Interest distributions received	10,441,954	2,920,577
Rebates of management fees received	–	756,275
Foreign withholding taxes	(179,629)	(33,971)
	<u>14,168,443</u>	<u>7,660,429</u>
EXPENSES		
Management fees (note 4)	19,431,850	9,358,053
Audit fees	19,601	12,994
Directors'/trustee fees	2,755	2,641
Filing fees	57,556	39,759
Legal fees	8,265	1,952
Unitholder reporting	75,339	45,343
Unitholder administration, service fees and GST	1,547,886	803,074
	<u>21,143,252</u>	<u>10,263,816</u>
Absorbed expenses	(9,884)	(10,735)
	<u>21,133,368</u>	<u>10,253,081</u>
Net investment income (loss)	<u>(6,964,925)</u>	<u>(2,592,652)</u>
Net realized gain (loss) on investments sold	7,080,070	10,955,163
Capital gains distributions received from investments	15,290,439	7,509,506
Change in unrealized appreciation (depreciation) of investments	107,996,377	21,260,711
Net gain (loss) on investments	<u>130,366,886</u>	<u>39,725,380</u>
Increase (decrease) in net assets from operations	<u>\$123,401,961</u>	<u>\$37,132,728</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$123,327,434	\$37,106,107
Class F Units	\$ 74,527	\$ 26,621
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.91	\$ 1.11
Class F Units	\$ 2.38	\$ 1.23

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 691,809,922	\$241,607,778
Class F Units	354,005	216,516
	<u>692,163,927</u>	<u>241,824,294</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	123,327,434	37,106,107
Class F Units	74,527	26,621
	<u>123,401,961</u>	<u>37,132,728</u>
DISTRIBUTIONS TO UNITHOLDERS		
From realized gain		
Class A Units	–	(8,361,703)
Class F Units	–	(4,265)
	<u>–</u>	<u>(8,365,968)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	392,530,468	458,407,452
Class F Units	238,737	330,541
Reinvested distributions		
Class A Units	1,139	8,359,311
Class F Units	–	4,264
Payments on redemption		
Class A Units	(94,538,271)	(45,309,023)
Class F Units	(42,629)	(219,672)
	<u>298,189,444</u>	<u>421,572,873</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	421,320,770	450,202,144
Class F Units	270,635	137,489
	<u>421,591,405</u>	<u>450,339,633</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,113,130,692	691,809,922
Class F Units	624,640	354,005
	<u>\$1,113,755,332</u>	<u>\$692,163,927</u>

The accompanying notes are an integral part of the financial statements

Scotia Partners Aggressive Growth Portfolio

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 9.3%			
2,032,191	Scotia Canadian Income Fund Class I	26,656,912	26,266,075
CANADIAN EQUITIES – 41.3%			
1,328,167	AIM Canadian Premier Fund Series I	20,157,749	27,811,823
932,896	CI Canadian Investment Fund Class I	23,423,466	27,445,805
1,067,099	Fidelity True North Fund Series O	27,317,040	34,249,393
830,600	Mackenzie Ivy Enterprises Fund Series O	12,358,907	13,092,917
937,722	Trimark Canadian Fund Series I	13,221,914	14,334,949
		<u>96,479,076</u>	<u>116,934,887</u>
FOREIGN EQUITIES – 49.7%			
1,197,804	AGF International Value Fund Series O	49,611,038	60,345,389
2,249,714	CI Global Fund Class I	29,646,370	37,345,257
697,915	Fidelity Global Fund Series O	23,234,312	28,216,755
592,106	Templeton Global Smaller Companies Fund Class O	12,188,143	15,027,654
		<u>114,679,863</u>	<u>140,935,055</u>
	TOTAL INVESTMENT PORTFOLIO	<u>237,815,851</u>	<u>284,136,017</u>
	OTHER ASSETS, LESS LIABILITIES – (0.3)%		<u>(765,661)</u>
	TOTAL NET ASSETS – 100.0%		<u>283,370,356</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$284,136,017	\$168,059,409
Cash	640,140	5,207,958
Subscriptions receivable	45,818	7,517
	<u>284,821,975</u>	<u>173,274,884</u>
LIABILITIES		
Payable for securities purchased	870,224	3,894,541
Redemptions payable	19,486	10,134
Accrued expenses	561,909	337,346
	<u>1,451,619</u>	<u>4,242,021</u>
Net assets	<u>\$283,370,356</u>	<u>\$169,032,863</u>
NET ASSETS PER CLASS		
Class A Units	\$283,352,810	\$169,017,856
Class F Units	\$ 17,546	\$ 15,007
UNITS OUTSTANDING		
Class A Units	17,719,005	12,196,396
Class F Units	1,066	1,066
NET ASSET VALUE PER UNIT		
Class A Units	\$ 15.99	\$ 13.86
Class F Units	\$ 16.46	\$ 14.08

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 722,799	\$ 308,149
Interest	60,152	66,449
Interest distributions received	1,048,903	465,088
Rebates of management fees received	–	179,366
Foreign withholding taxes	(33,924)	(5,900)
	<u>1,797,930</u>	<u>1,013,152</u>
EXPENSES		
Management fees (note 4)	5,343,082	2,408,518
Audit fees	16,749	12,994
Directors'/trustee fees	2,755	2,642
Filing fees	24,726	18,747
Legal fees	3,043	1,952
Unitholder reporting	26,294	12,678
Unitholder administration, service fees and GST	435,768	220,547
	<u>5,852,417</u>	<u>2,678,078</u>
Absorbed expenses	(4,796)	(8,951)
	<u>5,847,621</u>	<u>2,669,127</u>
Net investment income (loss)	<u>(4,049,691)</u>	<u>(1,655,975)</u>
Net realized gain (loss) on investments sold	1,074,153	3,192,215
Capital gains distributions received from investments	4,593,477	1,580,628
Change in unrealized appreciation (depreciation) of investments	32,814,607	6,714,565
Net gain (loss) on investments	<u>38,482,237</u>	<u>11,487,408</u>
Increase (decrease) in net assets from operations	<u>\$34,432,546</u>	<u>\$ 9,831,433</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$34,430,007	\$ 9,829,943
Class F Units	\$ 2,539	\$ 1,490
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 2.19	\$ 1.27
Class F Units	\$ 2.38	\$ 1.40

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$169,017,856	\$ 58,509,368
Class F Units	15,007	13,517
	<u>169,032,863</u>	<u>58,522,885</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	34,430,007	9,829,943
Class F Units	2,539	1,490
	<u>34,432,546</u>	<u>9,831,433</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	110,463,242	114,518,669
Payments on redemption		
Class A Units	(30,558,295)	(13,840,124)
	<u>79,904,947</u>	<u>100,678,545</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	114,334,954	110,508,488
Class F Units	2,539	1,490
	<u>114,337,493</u>	<u>110,509,978</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	283,352,810	169,017,856
Class F Units	17,546	15,007
	<u>\$283,370,356</u>	<u>\$169,032,863</u>

Scotia Vision Conservative 2010 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
CASH EQUIVALENT – 9.7%			
540,125	Scotia Money Market Fund Class I	5,401,253	5,401,253
FIXED INCOME – 39.2%			
553,322	Scotia Canadian Bond Index Fund Class I	5,987,633	5,954,299
837,682	Scotia Canadian Income Fund Class I	11,159,870	10,827,079
595,711	Scotia CanGlobal Income Fund Class I	5,208,866	5,016,323
		<u>22,356,369</u>	<u>21,797,701</u>
CANADIAN EQUITIES – 29.2%			
116,856	Scotia Canadian Blue Chip Fund Class I	2,754,572	3,358,141
157,612	Scotia Canadian Dividend Fund Class I	5,374,021	6,166,061
66,005	Scotia Canadian Small Cap Fund Class I	1,824,319	1,695,853
235,039	Scotia Canadian Stock Index Fund Class I	4,298,109	5,039,225
		<u>14,251,021</u>	<u>16,259,280</u>
FOREIGN EQUITIES – 21.5%			
339,391	Capital International – International Equity Series I	2,774,476	3,434,057
176,327	Capital International – U.S. Equity Series I	1,530,692	1,679,950
119,163	Capital International – U.S. Small Cap Series I	1,013,574	1,121,296
186,579	Scotia American Stock Index Fund Class I	2,549,443	2,832,508
282,869	Scotia International Stock Index Fund Class I	2,305,315	2,871,688
		<u>10,173,500</u>	<u>11,939,499</u>
	TOTAL INVESTMENT PORTFOLIO	<u>52,182,143</u>	<u>55,397,733</u>
	OTHER ASSETS, LESS LIABILITIES – 0.4%		<u>238,441</u>
	TOTAL NET ASSETS – 100.0%		<u>55,636,174</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$55,397,733	\$45,188,754
Cash	447,813	3,235,881
Accrued investment income	1,818	–
	<u>55,847,364</u>	<u>48,424,635</u>
LIABILITIES		
Payable for securities purchased	130,292	1,293,103
Accrued expenses	80,898	69,391
	<u>211,190</u>	<u>1,362,494</u>
Net assets	<u>\$55,636,174</u>	<u>\$47,062,141</u>
NET ASSETS PER CLASS		
Class A Units	\$55,636,174	\$47,062,141
UNITS OUTSTANDING		
Class A Units	5,121,447	4,610,614
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.86	\$ 10.21

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 350,665	\$210,017
Interest	15,896	20,409
Interest distributions received	1,205,635	222,028
Foreign withholding taxes	(12,396)	(14,049)
	<u>1,559,800</u>	<u>438,405</u>
EXPENSES		
Management fees (note 4)	819,055	184,477
Audit fees	13,742	9,315
Directors'/trustee fees	2,755	1,205
Filing fees	13,718	2,232
Legal fees	1,615	580
Unitholder reporting	12,912	2,224
Unitholder administration, service fees and GST	85,809	21,937
	<u>949,606</u>	<u>221,970</u>
Absorbed expenses	(1,183)	(247)
	<u>948,423</u>	<u>221,723</u>
Net investment income (loss)	611,377	216,682
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	457,809	515
Change in unrealized appreciation (depreciation) of investments	370,495	345,711
	<u>2,825,838</u>	<u>389,752</u>
Net gain (loss) on investments	3,654,142	735,978
Increase (decrease) in net assets from operations	\$4,265,519	\$952,660
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$4,265,519	\$952,660
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.87	\$ 0.44

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$47,062,141	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	4,265,519	952,660
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(611,377)	(216,682)
From realized gain		
Class A Units	(495,928)	(340,547)
	<u>(1,107,305)</u>	<u>(557,229)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	10,067,490	47,122,883
Reinvested distributions		
Class A Units	1,107,016	557,229
Payments on redemption		
Class A Units	(5,758,687)	(1,013,402)
	<u>5,415,819</u>	<u>46,666,710</u>
Increase (decrease) in net assets	8,574,033	47,062,141
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$55,636,174</u>	<u>\$47,062,141</u>

* For the period since inception to December 31, 2005

Scotia Vision Aggressive 2010 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
CASH EQUIVALENT – 6.9%			
55,784	Scotia Money Market Fund Class I	557,837	557,837
FIXED INCOME – 38.0%			
80,550	Scotia Canadian Bond Index Fund Class I	865,634	866,881
115,624	Scotia Canadian Income Fund Class I	1,536,122	1,494,441
85,836	Scotia CanGlobal Income Fund Class I	747,900	723,093
		<u>3,149,656</u>	<u>3,084,415</u>
CANADIAN EQUITIES – 32.0%			
22,546	Scotia Canadian Blue Chip Fund Class I	532,040	647,892
24,868	Scotia Canadian Dividend Fund Class I	855,200	972,868
12,887	Scotia Canadian Small Cap Fund Class I	355,282	331,107
30,317	Scotia Canadian Stock Index Fund Class I	557,364	650,019
		<u>2,299,886</u>	<u>2,601,886</u>
FOREIGN EQUITIES – 22.2%			
57,357	Capital International – International Equity Series I	470,688	580,208
42,463	Capital International – U.S. Equity Series I	369,260	404,546
8,671	Capital International – U.S. Small Cap Series I	74,291	81,584
21,585	Scotia American Stock Index Fund Class I	295,631	327,690
40,747	Scotia International Stock Index Fund Class I	342,445	413,433
		<u>1,552,315</u>	<u>1,807,461</u>
	TOTAL INVESTMENT PORTFOLIO	<u>7,559,694</u>	<u>8,051,599</u>
	OTHER ASSETS, LESS LIABILITIES – 0.9%		<u>73,698</u>
	TOTAL NET ASSETS – 100.0%		<u>8,125,297</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$8,051,599	\$6,359,303
Cash	51,041	285,607
Accrued investment income	2,005	200
Receivable for securities sold	34,269	4,945
Subscriptions receivable	–	2,000
	<u>8,138,914</u>	<u>6,652,055</u>
LIABILITIES		
Payable for securities purchased	545	3,641
Accrued expenses	13,072	10,754
	<u>13,617</u>	<u>14,395</u>
Net assets	<u>\$8,125,297</u>	<u>\$6,637,660</u>
NET ASSETS PER CLASS		
Class A Units	\$8,125,297	\$6,637,660
UNITS OUTSTANDING		
Class A Units	741,195	646,409
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.96	\$ 10.27

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 56,192	\$ 34,217
Interest	3,053	3,305
Interest distributions received	164,092	30,362
Foreign withholding taxes	(2,370)	(2,605)
	<u>220,967</u>	<u>65,279</u>
EXPENSES		
Management fees (note 4)	124,990	28,235
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	1,205
Filing fees	13,492	2,235
Legal fees	1,356	580
Unitholder reporting	10,484	2,339
Unitholder administration, service fees and GST	31,014	11,330
	<u>(42,939)</u>	<u>(20,666)</u>
Absorbed expenses	<u>153,779</u>	<u>34,572</u>
Net investment income (loss)	<u>67,188</u>	<u>30,707</u>
Net realized gain (loss) on investments sold	<u>80,896</u>	<u>(898)</u>
Capital gains distributions received from investments	68,450	48,253
Change in unrealized appreciation (depreciation) of investments	417,616	74,289
Net gain (loss) on investments	<u>566,962</u>	<u>121,644</u>
Increase (decrease) in net assets from operations	<u>\$634,150</u>	<u>\$152,351</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$634,150</u>	<u>\$152,351</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.88	\$ 0.48

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 6,637,660	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>634,150</u>	<u>152,351</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(67,188)	(30,707)
From realized gain		
Class A Units	<u>(69,520)</u>	<u>(47,292)</u>
	<u>(136,708)</u>	<u>(77,999)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,139,371	6,842,120
Reinvested distributions		
Class A Units	136,708	77,999
Payments on redemption		
Class A Units	<u>(1,285,884)</u>	<u>(356,811)</u>
	<u>990,195</u>	<u>6,563,308</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>1,487,637</u>	<u>6,637,660</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$ 8,125,297</u>	<u>\$6,637,660</u>

* For the period since inception to December 31, 2005

Scotia Vision Conservative 2015 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
CASH EQUIVALENT – 3.9%			
292,448	Scotia Money Market Fund Class I	2,924,477	2,924,477
FIXED INCOME – 38.2%			
679,886	Scotia Canadian Bond Index Fund Class I	7,361,159	7,316,463
1,188,720	Scotia Canadian Income Fund Class I	15,726,188	15,362,917
717,167	Scotia CanGlobal Income Fund Class I	6,180,282	6,039,770
		<u>29,267,629</u>	<u>28,719,150</u>
CANADIAN EQUITIES – 34.3%			
184,295	Scotia Canadian Blue Chip Fund Class I	4,369,203	5,296,126
251,707	Scotia Canadian Dividend Fund Class I	8,624,644	9,847,103
149,047	Scotia Canadian Small Cap Fund Class I	4,107,292	3,829,429
317,717	Scotia Canadian Stock Index Fund Class I	5,852,822	6,811,916
		<u>22,953,961</u>	<u>25,784,574</u>
FOREIGN EQUITIES – 23.5%			
612,537	Capital International – International Equity Series I	5,042,514	6,198,816
238,352	Capital International – U.S. Equity Series I	2,070,515	2,270,884
160,881	Capital International – U.S. Small Cap Series I	1,380,366	1,513,898
252,226	Scotia American Stock Index Fund Class I	3,437,440	3,829,110
382,560	Scotia International Stock Index Fund Class I	3,138,826	3,882,949
		<u>15,069,661</u>	<u>17,695,657</u>
	TOTAL INVESTMENT PORTFOLIO	<u>70,215,728</u>	<u>75,123,858</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>67,077</u>
	TOTAL NET ASSETS – 100.0%		<u>75,190,935</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$75,123,858	\$53,131,928
Cash	497,345	3,137,330
Accrued investment income	2,140	–
	<u>75,623,343</u>	<u>56,269,258</u>
LIABILITIES		
Payable for securities purchased	321,189	1,055,697
Accrued expenses	111,219	84,402
	<u>432,408</u>	<u>1,140,099</u>
Net assets	<u>\$75,190,935</u>	<u>\$55,129,159</u>
NET ASSETS PER CLASS		
Class A Units	\$75,190,935	\$55,129,159
UNITS OUTSTANDING		
Class A Units	6,827,656	5,361,764
NET ASSET VALUE PER UNIT		
Class A Units	\$ 11.01	\$ 10.28

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 547,867	\$ 280,248
Interest	23,246	23,069
Interest distributions received	1,308,547	214,687
Foreign withholding taxes	(22,861)	(20,584)
	<u>1,856,799</u>	<u>497,420</u>
EXPENSES		
Management fees (note 4)	1,111,462	220,572
Audit fees	13,742	9,314
Directors'/trustee fees	2,755	1,205
Filing fees	14,174	2,238
Legal fees	1,730	580
Unitholder reporting	13,988	2,441
Unitholder administration, service fees and GST	108,859	25,505
	<u>1,266,710</u>	<u>261,855</u>
Absorbed expenses	(1,262)	–
	<u>1,265,448</u>	<u>261,855</u>
Net investment income (loss)	<u>591,351</u>	<u>235,565</u>
Net realized gain (loss) on investments sold	<u>526,728</u>	<u>–</u>
Capital gains distributions received from investments	772,186	439,641
Change in unrealized appreciation (depreciation) of investments	4,211,180	696,950
Net gain (loss) on investments	<u>5,510,094</u>	<u>1,136,591</u>
Increase (decrease) in net assets from operations	<u>\$6,101,445</u>	<u>\$1,372,156</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$6,101,445	\$1,372,156
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.99	\$ 0.57

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$55,129,159	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,101,445	1,372,156
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(591,350)	(235,565)
From realized gain		
Class A Units	(1,013,646)	(438,634)
	<u>(1,604,996)</u>	<u>(674,199)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	18,341,856	54,601,089
Reinvested distributions		
Class A Units	1,605,707	674,199
Payments on redemption		
Class A Units	(4,382,236)	(844,086)
	<u>15,565,327</u>	<u>54,431,202</u>
Increase (decrease) in net assets	<u>20,061,776</u>	<u>55,129,159</u>
TOTAL NET ASSETS – END OF PERIOD	<u>\$75,190,935</u>	<u>\$55,129,159</u>
Class A Units		

* For the period since inception to December 31, 2005

Scotia Vision Aggressive 2015 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
CASH EQUIVALENT – 2.9%			
69,938	Scotia Money Market Fund Class I	699,380	699,380
FIXED INCOME – 31.2%			
172,280	Scotia Canadian Bond Index Fund Class I	1,870,033	1,854,083
321,258	Scotia Canadian Income Fund Class I	4,256,171	4,152,258
169,126	Scotia CanGlobal Income Fund Class I	1,466,427	1,424,737
		<u>7,592,631</u>	<u>7,431,078</u>
CANADIAN EQUITIES – 36.4%			
66,611	Scotia Canadian Blue Chip Fund Class I	1,588,789	1,914,193
79,600	Scotia Canadian Dividend Fund Class I	2,740,776	3,114,048
66,522	Scotia Canadian Small Cap Fund Class I	1,852,973	1,709,113
89,494	Scotia Canadian Stock Index Fund Class I	1,662,809	1,918,780
		<u>7,845,347</u>	<u>8,656,134</u>
FOREIGN EQUITIES – 29.6%			
241,003	Capital International – International Equity Series I	1,998,158	2,437,914
150,463	Capital International – U.S. Equity Series I	1,311,085	1,433,463
76,440	Capital International – U.S. Small Cap Series I	656,614	719,181
63,756	Scotia American Stock Index Fund Class I	876,190	967,916
96,093	Scotia International Stock Index Fund Class I	792,397	974,998
15,629	Scotia Latin American Growth Fund Class I	369,867	519,863
		<u>6,004,311</u>	<u>7,053,335</u>
	TOTAL INVESTMENT PORTFOLIO	<u>22,141,669</u>	<u>23,839,927</u>
	OTHER ASSETS, LESS LIABILITIES – (0.1%)		<u>(33,056)</u>
	TOTAL NET ASSETS – 100.0%		<u>23,806,871</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$23,839,927	\$16,929,618
Cash	125,439	791,099
Accrued investment income	2,017	486
Subscriptions receivable	–	2,000
	<u>23,967,383</u>	<u>17,723,203</u>
LIABILITIES		
Payable for securities purchased	120,843	200,124
Accrued expenses	39,669	28,189
	<u>160,512</u>	<u>228,313</u>
Net assets	<u>\$23,806,871</u>	<u>\$17,494,890</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$23,806,871</u>	<u>\$17,494,890</u>
UNITS OUTSTANDING		
Class A Units	<u>2,123,560</u>	<u>1,684,706</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 11.21</u>	<u>\$ 10.38</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 191,179	\$109,422
Interest	5,620	7,138
Interest distributions received	357,805	55,960
Foreign withholding taxes	(8,840)	(9,693)
	<u>545,764</u>	<u>162,827</u>
EXPENSES		
Management fees (note 4)	363,844	66,860
Audit fees	13,129	9,315
Directors'/trustee fees	2,755	1,205
Filing fees	13,556	2,234
Legal fees	1,432	580
Unitholder reporting	11,195	2,328
Unitholder administration, service fees and GST	49,367	14,014
	<u>(11,784)</u>	<u>(15,106)</u>
Absorbed expenses	<u>443,494</u>	<u>81,430</u>
Net investment income (loss)	<u>102,270</u>	<u>81,397</u>
Net realized gain (loss) on investments sold	<u>204,174</u>	<u>2,840</u>
Capital gains distributions received from investments	<u>335,010</u>	<u>146,155</u>
Change in unrealized appreciation (depreciation) of investments	<u>1,434,611</u>	<u>263,647</u>
Net gain (loss) on investments	<u>1,973,795</u>	<u>412,642</u>
Increase (decrease) in net assets from operations	<u>\$2,076,065</u>	<u>\$494,039</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$2,076,065</u>	<u>\$494,039</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.07</u>	<u>\$ 0.70</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$17,494,890	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>2,076,065</u>	<u>494,039</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(102,271)	(81,398)
From realized gain		
Class A Units	(400,770)	(148,906)
	<u>(503,041)</u>	<u>(230,304)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	6,180,916	17,313,810
Reinvested distributions		
Class A Units	503,049	230,304
Payments on redemption		
Class A Units	(1,945,008)	(312,959)
	<u>4,738,957</u>	<u>17,231,155</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>6,311,981</u>	<u>17,494,890</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$23,806,871</u>	<u>\$17,494,890</u>

* For the period since inception to December 31, 2005

Scotia Vision Conservative 2020 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
CASH EQUIVALENT – 4.8%			
355,625	Scotia Money Market Fund Class I	3,556,251	3,556,251
FIXED INCOME – 33.3%			
597,682	Scotia Canadian Bond Index Fund Class I	6,483,486	6,431,957
995,034	Scotia Canadian Income Fund Class I	13,160,272	12,860,528
612,713	Scotia CanGlobal Income Fund Class I	5,269,327	5,160,131
		<u>24,913,085</u>	<u>24,452,616</u>
CANADIAN EQUITIES – 35.3%			
205,635	Scotia Canadian Blue Chip Fund Class I	4,892,098	5,909,344
245,788	Scotia Canadian Dividend Fund Class I	8,449,535	9,615,484
174,296	Scotia Canadian Small Cap Fund Class I	4,818,713	4,478,162
275,748	Scotia Canadian Stock Index Fund Class I	5,095,148	5,912,186
		<u>23,255,494</u>	<u>25,915,176</u>
FOREIGN EQUITIES – 26.5%			
673,015	Capital International – International Equity Series I	5,584,928	6,807,581
387,907	Capital International – U.S. Equity Series I	3,379,379	3,695,854
236,990	Capital International – U.S. Small Cap Series I	2,035,203	2,229,890
197,019	Scotia American Stock Index Fund Class I	2,698,340	2,991,003
373,186	Scotia International Stock Index Fund Class I	3,068,927	3,787,150
		<u>16,766,777</u>	<u>19,511,478</u>
	TOTAL INVESTMENT PORTFOLIO	<u>68,491,607</u>	<u>73,435,521</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>86,807</u>
	TOTAL NET ASSETS – 100.0%		<u>73,522,328</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$73,435,521	\$50,794,992
Cash	285,670	3,267,143
Accrued investment income	2,308	200
Receivable for securities sold	3,732	–
	<u>73,727,231</u>	<u>54,062,335</u>
LIABILITIES		
Payable for securities purchased	87,836	1,197,707
Accrued expenses	117,067	85,902
	<u>204,903</u>	<u>1,283,609</u>
Net assets	<u>\$73,522,328</u>	<u>\$52,778,726</u>
NET ASSETS PER CLASS		
Class A Units	\$73,522,328	\$52,778,726
UNITS OUTSTANDING		
Class A Units	6,621,847	5,105,553
NET ASSET VALUE PER UNIT		
Class A Units	\$ 11.10	\$ 10.34

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 549,455	\$ 317,793
Interest	17,511	22,625
Interest distributions received	1,172,972	184,729
Foreign withholding taxes	(25,250)	(26,225)
	<u>1,714,688</u>	<u>498,922</u>
EXPENSES		
Management fees (note 4)	1,157,864	225,389
Audit fees	13,742	9,314
Directors'/trustee fees	2,755	1,205
Filing fees	14,098	2,248
Legal fees	1,800	579
Unitholder reporting	14,657	2,785
Unitholder administration, service fees and GST	114,622	26,411
	<u>1,319,538</u>	<u>267,931</u>
Absorbed expenses	(2,046)	(394)
	<u>1,317,492</u>	<u>267,537</u>
Net investment income (loss)	<u>397,196</u>	<u>231,385</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	649,730	18,020
Change in unrealized appreciation (depreciation) of investments	870,393	394,287
	<u>4,161,526</u>	<u>782,388</u>
Net gain (loss) on investments	<u>5,681,649</u>	<u>1,194,695</u>
Increase (decrease) in net assets from operations	<u>\$6,078,845</u>	<u>\$1,426,080</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$6,078,845	\$1,426,080
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.01	\$ 0.61

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$52,778,726	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,078,845	1,426,080
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(397,197)	(231,384)
From realized gain		
Class A Units	(1,182,521)	(412,281)
	<u>(1,579,718)</u>	<u>(643,665)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	19,685,483	52,260,471
Reinvested distributions		
Class A Units	1,581,285	643,665
Payments on redemption		
Class A Units	(5,022,293)	(907,825)
	<u>16,244,475</u>	<u>51,996,311</u>
Increase (decrease) in net assets	<u>20,743,602</u>	<u>52,778,726</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	\$73,522,328	\$52,778,726

* For the period since inception to December 31, 2005

Scotia Vision Aggressive 2020 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 30.1%			
209,916	Scotia Canadian Bond Index Fund Class I	2,275,449	2,259,116
474,236	Scotia Canadian Income Fund Class I	6,259,550	6,129,497
196,564	Scotia CanGlobal Income Fund Class I	1,699,687	1,655,872
		<u>10,234,686</u>	<u>10,044,485</u>
CANADIAN EQUITIES – 37.2%			
104,500	Scotia Canadian Blue Chip Fund Class I	2,494,961	3,003,000
93,905	Scotia Canadian Dividend Fund Class I	3,231,724	3,673,668
118,349	Scotia Canadian Small Cap Fund Class I	3,376,076	3,040,679
124,535	Scotia Canadian Stock Index Fund Class I	2,306,775	2,670,072
		<u>11,409,536</u>	<u>12,387,419</u>
FOREIGN EQUITIES – 32.6%			
335,589	Capital International – International Equity Series I	2,781,536	3,394,719
244,752	Capital International – U.S. Equity Series I	2,130,015	2,331,754
106,792	Capital International – U.S. Small Cap Series I	910,318	1,004,756
88,919	Scotia American Stock Index Fund Class I	1,222,685	1,349,939
201,742	Scotia International Stock Index Fund Class I	1,664,893	2,046,960
21,737	Scotia Latin American Growth Fund Class I	516,909	723,050
		<u>9,226,356</u>	<u>10,851,178</u>
	TOTAL INVESTMENT PORTFOLIO	<u>30,870,578</u>	<u>33,283,082</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>52,094</u>
	TOTAL NET ASSETS – 100.0%		<u>33,335,176</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$33,283,082	\$21,959,129
Cash	273,570	1,466,743
Accrued investment income	–	921
Receivable for securities sold	9,733	–
	<u>33,566,385</u>	<u>23,426,793</u>
LIABILITIES		
Payable for securities purchased	173,226	670,976
Accrued expenses	57,983	38,684
	<u>231,209</u>	<u>709,660</u>
Net assets	<u>\$33,335,176</u>	<u>\$22,717,133</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$33,335,176</u>	<u>\$22,717,133</u>
UNITS OUTSTANDING		
Class A Units	<u>2,959,055</u>	<u>2,176,703</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 11.27</u>	<u>\$ 10.44</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 269,106	\$141,528
Interest	5,886	9,929
Interest distributions received	444,716	65,414
Foreign withholding taxes	(14,192)	(12,564)
	<u>705,516</u>	<u>204,307</u>
EXPENSES		
Management fees (note 4)	528,885	93,087
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	1,205
Filing fees	13,601	2,251
Legal fees	1,495	580
Unitholder reporting	11,794	2,934
Unitholder administration, service fees and GST	62,509	17,566
	<u>633,666</u>	<u>126,937</u>
Absorbed expenses	(2,507)	(14,273)
	<u>631,159</u>	<u>112,664</u>
Net investment income (loss)	<u>74,357</u>	<u>91,643</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	253,148	1,479
Change in unrealized appreciation (depreciation) of investments	584,969	176,605
	<u>2,002,780</u>	<u>409,724</u>
Net gain (loss) on investments	<u>2,840,897</u>	<u>587,808</u>
Increase (decrease) in net assets from operations	<u>\$2,915,254</u>	<u>\$679,451</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$2,915,254</u>	<u>\$679,451</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.09</u>	<u>\$ 0.73</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$22,717,133	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>2,915,254</u>	<u>679,451</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(74,357)	(91,643)
From realized gain		
Class A Units	(666,895)	(178,074)
	<u>(741,252)</u>	<u>(269,717)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	10,067,300	22,523,738
Reinvested distributions		
Class A Units	741,286	269,717
Payments on redemption		
Class A Units	(2,364,545)	(486,056)
	<u>8,444,041</u>	<u>22,307,399</u>
Increase (decrease) in net assets	<u>10,618,043</u>	<u>22,717,133</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$33,335,176</u>	<u>\$22,717,133</u>

* For the period since inception to December 31, 2005

Scotia Vision Conservative 2030 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 24.2%			
221,792	Scotia Canadian Bond Index Fund Class I	2,404,821	2,386,753
370,538	Scotia Canadian Income Fund Class I	4,896,490	4,788,810
166,995	Scotia CanGlobal Income Fund Class I	1,445,178	1,406,547
		<u>8,746,489</u>	<u>8,582,110</u>
CANADIAN EQUITIES – 39.9%			
110,367	Scotia Canadian Blue Chip Fund Class I	2,640,077	3,171,600
117,253	Scotia Canadian Dividend Fund Class I	4,040,995	4,587,087
138,852	Scotia Canadian Small Cap Fund Class I	3,891,137	3,567,260
131,542	Scotia Canadian Stock Index Fund Class I	2,442,227	2,820,319
		<u>13,014,436</u>	<u>14,146,266</u>
FOREIGN EQUITIES – 35.5%			
286,159	Capital International – International Equity Series I	2,377,495	2,895,509
296,093	Capital International – U.S. Equity Series I	2,582,411	2,820,970
150,227	Capital International – U.S. Small Cap Series I	1,281,974	1,413,590
93,993	Scotia American Stock Index Fund Class I	1,271,511	1,426,984
320,747	Scotia International Stock Index Fund Class I	2,652,436	3,255,135
22,917	Scotia Latin American Growth Fund Class I	545,196	762,088
		<u>10,711,023</u>	<u>12,574,276</u>
	TOTAL INVESTMENT PORTFOLIO	<u><u>32,471,948</u></u>	<u><u>35,302,652</u></u>
	OTHER ASSETS, LESS LIABILITIES – 0.4%		<u>141,947</u>
	TOTAL NET ASSETS – 100.0%		<u><u>35,444,599</u></u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$35,302,652	\$23,073,585
Cash	236,318	1,519,401
Accrued investment income	–	858
Receivable for securities sold	34,235	–
	<u>35,573,205</u>	<u>24,593,844</u>
LIABILITIES		
Payable for securities purchased	63,047	651,719
Accrued expenses	65,559	42,829
	<u>128,606</u>	<u>694,548</u>
Net assets	<u>\$35,444,599</u>	<u>\$23,899,296</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$35,444,599</u>	<u>\$23,899,296</u>
UNITS OUTSTANDING		
Class A Units	<u>3,107,015</u>	<u>2,288,535</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 11.41</u>	<u>\$ 10.44</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 293,665	\$151,899
Interest	5,085	10,489
Interest distributions received	408,576	57,956
Foreign withholding taxes	(15,291)	(12,873)
	<u>692,035</u>	<u>207,471</u>
EXPENSES		
Management fees (note 4)	600,832	106,543
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	1,205
Filing fees	13,623	2,252
Legal fees	1,579	580
Unitholder reporting	12,589	3,059
Unitholder administration, service fees and GST	70,199	18,863
	<u>714,204</u>	<u>141,816</u>
Absorbed expenses	(3,727)	(13,968)
	<u>710,477</u>	<u>127,848</u>
Net investment income (loss)	<u>(18,442)</u>	<u>79,623</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	238,752	1,116
Change in unrealized appreciation (depreciation) of investments	670,424	176,964
	<u>2,372,252</u>	<u>458,452</u>
Net gain (loss) on investments	<u>3,281,428</u>	<u>636,532</u>
Increase (decrease) in net assets from operations	<u>\$3,262,986</u>	<u>\$716,155</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$3,262,986</u>	<u>\$716,155</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.17</u>	<u>\$ 0.73</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$23,899,296	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>3,262,986</u>	<u>716,155</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income	–	(79,624)
Class A Units		
From realized gain	(596,586)	(178,003)
Class A Units	<u>(596,586)</u>	<u>(257,627)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	10,716,178	23,582,994
Reinvested distributions		
Class A Units	596,618	257,627
Payments on redemption		
Class A Units	<u>(2,433,893)</u>	<u>(399,853)</u>
	<u>8,878,903</u>	<u>23,440,768</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>11,545,303</u>	<u>23,899,296</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$35,444,599</u>	<u>\$23,899,296</u>

* For the period since inception to December 31, 2005

Scotia Vision Aggressive 2030 Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FIXED INCOME – 19.3%			
93,605	Scotia Canadian Bond Index Fund Class I	1,013,635	1,007,372
186,011	Scotia Canadian Income Fund Class I	2,452,268	2,404,192
73,355	Scotia CanGlobal Income Fund Class I	632,396	617,946
		<u>4,098,299</u>	<u>4,029,510</u>
CANADIAN EQUITIES – 41.9%			
72,227	Scotia Canadian Blue Chip Fund Class I	1,737,190	2,075,580
69,033	Scotia Canadian Dividend Fund Class I	2,387,644	2,700,651
90,203	Scotia Canadian Small Cap Fund Class I	2,512,650	2,317,545
77,620	Scotia Canadian Stock Index Fund Class I	1,450,531	1,664,214
		<u>8,088,015</u>	<u>8,757,990</u>
FOREIGN EQUITIES – 38.2%			
104,297	Capital International – International Equity Series I	870,510	1,055,036
217,532	Capital International – U.S. Equity Series I	1,899,933	2,072,423
88,134	Capital International – U.S. Small Cap Series I	753,733	829,205
55,307	Scotia American Stock Index Fund Class I	759,162	839,644
229,178	Scotia International Stock Index Fund Class I	1,903,037	2,325,330
13,157	Scotia Latin American Growth Fund Class I	318,424	437,649
30,098	Scotia Pacific Rim Growth Fund Class I	347,767	427,168
		<u>6,852,566</u>	<u>7,986,455</u>
	TOTAL INVESTMENT PORTFOLIO	<u>19,038,880</u>	<u>20,773,955</u>
	OTHER ASSETS, LESS LIABILITIES – 0.6%		131,596
	TOTAL NET ASSETS – 100.0%		<u>20,905,551</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$20,773,955	\$12,599,353
Cash	257,519	776,689
Receivable for securities sold	7,625	–
	<u>21,039,099</u>	<u>13,376,042</u>
LIABILITIES		
Payable for securities purchased	93,828	317,058
Accrued expenses	39,720	24,019
	<u>133,548</u>	<u>341,077</u>
Net assets	<u>\$20,905,551</u>	<u>\$13,034,965</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$20,905,551</u>	<u>\$13,034,965</u>
UNITS OUTSTANDING		
Class A Units	<u>1,806,209</u>	<u>1,241,319</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 11.57</u>	<u>\$ 10.50</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends distributions received	\$ 167,900	\$ 78,206
Interest	5,610	5,320
Interest distributions received	202,184	24,368
Foreign withholding taxes	(8,928)	(6,551)
	<u>366,766</u>	<u>101,343</u>
EXPENSES		
Management fees (note 4)	359,378	57,673
Audit fees	12,627	9,315
Directors'/trustee fees	2,755	1,205
Filing fees	13,549	2,239
Legal fees	1,439	580
Unitholder reporting	11,266	2,599
Unitholder administration, service fees and GST	49,387	14,141
	<u>450,401</u>	<u>87,752</u>
Absorbed expenses	(21,129)	(18,700)
	<u>429,272</u>	<u>69,052</u>
Net investment income (loss)	<u>(62,506)</u>	<u>32,291</u>
Net realized gain (loss) on investments sold		
Capital gains distributions received from investments	147,265	636
Change in unrealized appreciation (depreciation) of investments	427,767	107,087
	<u>1,451,340</u>	<u>283,735</u>
Net gain (loss) on investments	<u>2,026,372</u>	<u>391,458</u>
Increase (decrease) in net assets from operations	<u>\$1,963,866</u>	<u>\$423,749</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$1,963,866</u>	<u>\$423,749</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.22</u>	<u>\$ 0.82</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$13,034,965	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>1,963,866</u>	<u>423,749</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	–	(32,291)
From realized gain		
Class A Units	<u>(261,655)</u>	<u>(106,984)</u>
	<u>(261,655)</u>	<u>(139,275)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	7,615,861	12,931,405
Reinvested distributions		
Class A Units	261,661	139,275
Payments on redemption		
Class A Units	<u>(1,709,147)</u>	<u>(320,189)</u>
	<u>6,168,375</u>	<u>12,750,491</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>7,870,586</u>	<u>13,034,965</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$20,905,551</u>	<u>\$13,034,965</u>

* For the period since inception to December 31, 2005

Scotia Canadian Stock Index Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
CANADIAN EQUITIES – 99.5%				CANADIAN EQUITIES (cont'd)			
Energy – 27.8%				Energy (cont'd)			
16,543	Advantage Energy Income Fund	330,344	205,629	179,960	Talisman Energy Inc.	998,612	3,563,208
8,800	AltaGas Income Trust	257,088	230,560	6,900	Tesco Corporation	92,946	142,209
34,300	ARC Energy Trust	918,149	764,890	79,283	TransCanada Corporation	1,484,409	3,219,683
11,700	Baytex Energy Trust	217,903	260,676	17,000	Trican Well Service Ltd.	42,797	345,440
13,800	Bonavista Energy Trust	527,632	388,470	6,400	Trilog Energy Trust	129,201	72,960
4,700	Calfrac Well Services Ltd.	169,018	103,870	13,200	Trinidad Energy Services Income Trust	229,437	182,160
58,200	Cameco Corporation	325,121	2,747,040	9,800	True Energy Trust	130,651	73,402
88,556	Canadian Natural Resources Ltd.	1,180,741	5,503,755	75,600	UTS Energy Corporation	186,369	340,956
78,000	Canadian Oil Sands Trust	2,315,382	2,543,580	10,600	Vermilion Energy Trust	329,659	371,000
38,549	Canetic Resources Trust	883,841	633,746	27,500	Western Oil Sands Inc. Class A	153,352	899,525
7,100	CCS Income Trust	272,477	268,025				
16,300	Centurion Energy International Inc.	205,924	194,459				
7,700	CHC Helicopter Corporation Class A	59,711	189,420				
21,200	Compton Petroleum Corporation	74,172	225,780				
26,900	Connacher Oil & Gas Ltd.	139,573	93,881				
8,800	Crescent Point Energy Trust	195,659	154,880				
3,900	Cyries Energy Inc.	68,752	49,374				
8,368	Daylight Resources Trust	143,033	85,437				
7,800	Duvernay Oil Corporation	235,892	269,334				
57,884	Enbridge Inc.	1,007,756	2,330,989				
132,842	EnCana Corporation	2,375,467	7,128,302				
8,800	Enerflex Systems Income Fund	123,942	97,240				
20,300	Enerplus Resources Fund	1,158,089	1,028,804				
20,200	Ensign Resource Service Group Inc.	121,962	371,478				
9,400	Fairborne Energy Ltd. Trust	142,006	98,230				
37,866	First Calgary Petroleum Ltd.	200,116	263,926				
11,600	Focus Energy Trust	279,403	210,888				
25,400	Fording Canadian Trust	1,158,310	610,870				
21,700	Fort Chicago Energy Partners LP	251,529	248,899				
7,500	Freehold Royalty Trust Fund	161,251	111,075				
8,500	Galleon Energy Inc.	156,795	153,680				
16,975	Harvest Energy Trust	605,452	445,254				
7,025	Highpine Oil & Gas Ltd.	137,443	110,293				
20,184	Husky Energy Inc.	343,593	1,575,159				
45,800	Imperial Oil Ltd.	528,566	1,966,194				
33,700	Inter Pipeline Fund LP	336,416	304,648				
5,143	InterOil Corporation	140,941	181,239				
10,000	Keyera Facilities Income Fund	220,160	166,400				
11,100	Mullen Group Income Fund	336,693	207,459				
12,400	NAL Oil & Gas Trust	235,082	152,644				
42,420	Nexen Inc.	664,531	2,723,364				
5,100	Niko Resources Ltd.	54,952	425,085				
6,000	Nuvista Energy Ltd.	87,037	78,000				
31,200	Oilexco Inc.	218,041	226,200				
28,000	Opti Canada Inc.	375,060	553,840				
9,700	Paramount Energy Trust	206,691	120,280				
6,300	Paramount Resources Ltd.	43,069	151,200				
11,000	Pason Systems Inc.	125,492	145,860				
19,500	Pembina Pipeline Income Fund	331,897	308,685				
39,131	Pengrowth Energy Trust	894,141	780,272				
40,000	Penn West Energy Trust	1,578,441	1,422,800				
82,020	Petro-Canada	1,261,995	3,916,455				
10,700	Petrobank Energy & Resources Ltd.	164,760	189,604				
13,300	Peyto Energy Trust	354,853	235,410				
21,600	Precision Drilling Trust	802,490	583,200				
13,600	PrimeWest Energy Trust	470,449	292,400				
12,100	Progress Energy Trust	212,863	152,097				
32,100	Provident Energy Trust	418,354	412,164				
5,600	Real Resources Inc.	94,592	93,520				
9,100	Savanna Energy Services Corporation	197,519	172,354				
9,300	Shawcor Ltd. Class A	129,951	232,965				
29,200	Shell Canada Ltd.	285,385	1,270,492				
11,400	Shiningbank Energy Income Fund	295,295	146,490				
75,900	Suncor Energy Inc.	1,433,072	6,966,861				
20,625	SXR Uranium One Inc.	213,751	330,000				
6,700	Synenco Energy Inc. Class A	93,120	95,877				
						33,326,618	63,912,495
Materials – 15.9%				Materials – 15.9%			
10,700	Aber Diamond Corporation			10,700	Aber Diamond Corporation	129,146	460,100
73,932	Abitibi-Consolidated Inc.			73,932	Abitibi-Consolidated Inc.	1,095,538	221,057
19,700	Agnico-Eagle Mines Ltd.			19,700	Agnico-Eagle Mines Ltd.	283,602	947,373
20,880	Agrium Inc.			20,880	Agrium Inc.	316,944	762,955
12,700	Alamos Gold Inc.			12,700	Alamos Gold Inc.	127,840	122,682
61,100	Alcan Inc.			61,100	Alcan Inc.	2,812,288	3,469,258
6,600	Algoma Steel Inc.			6,600	Algoma Steel Inc.	126,794	217,140
17,700	Aur Resources Inc.			17,700	Aur Resources Inc.	74,363	429,402
142,059	Barrick Gold Corporation			142,059	Barrick Gold Corporation	3,986,834	5,092,815
76,100	Bema Gold Corporation			76,100	Bema Gold Corporation	205,082	464,210
14,200	Blue Pearl Mining Ltd.			14,200	Blue Pearl Mining Ltd.	138,373	140,154
18,913	Canfor Corporation			18,913	Canfor Corporation	172,540	204,071
7,700	Cascades Inc.			7,700	Cascades Inc.	62,102	101,871
41,900	Catalyst Paper Corporation			41,900	Catalyst Paper Corporation	318,217	148,745
5,000	CCL Industries Inc. Class B			5,000	CCL Industries Inc. Class B	62,367	141,850
10,300	Centerra Gold Inc.			10,300	Centerra Gold Inc.	86,904	135,960
25,700	Crystallex International Corporation			25,700	Crystallex International Corporation	83,944	108,711
25,000	Denison Mines Corporation			25,000	Denison Mines Corporation	244,403	295,000
38,680	Domtar Inc.			38,680	Domtar Inc.	577,795	380,998
56,300	Eldorado Gold Corporation			56,300	Eldorado Gold Corporation	131,207	355,253
61,400	Equinox Minerals Ltd.			61,400	Equinox Minerals Ltd.	133,613	116,046
11,516	First Quantum Minerals Ltd.			11,516	First Quantum Minerals Ltd.	258,961	722,629
7,845	FNX Mining Company Inc.			7,845	FNX Mining Company Inc.	69,227	143,328
26,700	Gabriel Resources Ltd.			26,700	Gabriel Resources Ltd.	114,620	135,102
15,400	Gammon Lake Resources Inc.			15,400	Gammon Lake Resources Inc.	150,443	292,446
16,100	Gerdau AmeriSteel Corporation			16,100	Gerdau AmeriSteel Corporation	118,568	167,601
116,376	Goldcorp Inc.			116,376	Goldcorp Inc.	1,189,143	3,853,209
24,600	Golden Star Resources Ltd.			24,600	Golden Star Resources Ltd.	140,153	83,886
19,800	Hudbay Minerals Inc.			19,800	Hudbay Minerals Inc.	256,358	432,432
43,232	IAMGOLD Corporation			43,232	IAMGOLD Corporation	344,925	446,154
6,840	Inmet Mining Corporation			6,840	Inmet Mining Corporation	117,902	426,884
7,350	Ipsco Inc.			7,350	Ipsco Inc.	183,530	805,413
41,100	Ivanhoe Mines Ltd.			41,100	Ivanhoe Mines Ltd.	174,207	472,650
59,000	Kinross Gold Corporation			59,000	Kinross Gold Corporation	609,386	815,380
6,200	Labrador Iron Ore Royalty Income Fund			6,200	Labrador Iron Ore Royalty Income Fund	166,571	153,760
31,100	LionOre Mining International Ltd.			31,100	LionOre Mining International Ltd.	102,444	412,075
16,377	Lundin Mining Corporation			16,377	Lundin Mining Corporation	655,692	704,211
17,900	Meridian Gold Inc.			17,900	Meridian Gold Inc.	240,762	580,497
16,200	Methanex Corporation			16,200	Methanex Corporation	175,102	516,780
39,900	Miramar Mining Corporation			39,900	Miramar Mining Corporation	183,806	211,869
18,337	Norbord Inc.			18,337	Norbord Inc.	142,119	163,383
20,200	Northern Orion Exploration Ltd.			20,200	Northern Orion Exploration Ltd.	76,166	85,648
29,200	Northgate Minerals Corporation			29,200	Northgate Minerals Corporation	105,482	119,136
13,492	Nova Chemicals Corporation			13,492	Nova Chemicals Corporation	385,269	438,490
16,500	NovaGold Resources Inc.			16,500	NovaGold Resources Inc.	176,952	326,370
13,120	Novelis Inc.			13,120	Novelis Inc.	352,624	427,581
11,400	Pan American Silver Corporation			11,400	Pan American Silver Corporation	95,971	335,160
16,820	Potash Corporation of Saskatchewan Inc.			16,820	Potash Corporation of Saskatchewan Inc.	823,002	2,808,940
9,900	Russel Metals Inc.			9,900	Russel Metals Inc.	105,182	264,330
23,700	Sherritt International Corporation			23,700	Sherritt International Corporation	114,814	293,643
27,400	Shore Gold Inc.			27,400	Shore Gold Inc.	220,536	168,510
8,300	Silver Standard Resources Inc.			8,300	Silver Standard Resources Inc.	166,343	297,140
12,100	Silver Wheaton Corporation			12,100	Silver Wheaton Corporation	135,482	147,862

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Stock Index Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
CANADIAN EQUITIES (cont'd)				CANADIAN EQUITIES (cont'd)			
Materials (cont'd)				Consumer Staples (cont'd)			
6,700	Silvercorp Metals Inc.	117,343	114,905	8,300	George Weston Ltd.	497,335	627,480
22,100	Sino-Forest Corporation Class A	86,083	173,043	23,500	Jean Coutu Group Inc. Class A	294,016	323,125
1,300	St. Lawrence Cement Group Inc. Class A	22,005	39,000	16,400	Loblaw Companies Ltd.	706,688	800,156
10,600	Tanzanian Royalty Exploration Corporation	90,435	73,564	11,900	Maple Leaf Foods Inc.	143,687	146,846
35,100	Teck Cominco Ltd. Class B	634,963	3,085,290	15,600	Metro Inc. Class A	240,633	591,864
7,500	Tenke Mining Corporation	96,967	129,375	9,500	Rothmans Inc.	92,328	206,625
12,700	TimberWest Forest Corporation	180,468	191,389	7,300	Saputo Inc.	145,942	269,808
26,800	UEX Corporation	134,490	150,616	14,200	Saskatchewan Wheat Pool Inc.	95,166	125,954
4,813	West Fraser Timber Ltd.	178,727	199,162	34,700	Shoppers Drug Mart Corporation	957,728	1,738,123
47,900	Yamana Gold Inc.	377,057	733,349	4,110	Sobeys Inc.	80,960	168,346
		<u>21,240,176</u>	<u>36,457,843</u>			<u>3,895,889</u>	<u>6,173,948</u>
Industrials – 5.2%				Health Care – 0.8%			
17,400	Ace Aviation Holdings Inc. Class B	737,586	654,762	16,200	Angiotech Pharmaceuticals Inc.	421,571	155,358
7,500	Aeroplan Income Fund	102,118	127,275	7,500	Axcan Pharma Inc.	135,523	124,350
8,700	ATS Automation Tooling Systems Inc.	199,778	97,092	22,200	Biovail Corporation	1,077,229	546,120
8,800	BFI Canada Income Fund	247,025	236,720	8,200	Cardiome Pharma Corporation	120,402	106,764
252,660	Bombardier Inc. Class B	3,103,871	998,007	13,100	CML Healthcare Income Fund	187,626	182,745
42,200	CAE Inc.	288,986	453,650	25,412	MDS Inc.	508,814	540,513
85,240	Canadian National Railway Company	1,447,278	4,267,967	2,835	Neurochem Inc.	77,690	70,903
25,600	Canadian Pacific Railway Ltd.	484,525	1,571,840	19,100	Patheon Inc.	201,512	96,455
15,000	Finning International Inc.	226,947	716,850	14,300	QLT Inc.	820,931	141,141
5,900	FirstService Corporation	68,085	159,300			<u>3,551,298</u>	<u>1,964,349</u>
5,900	Newalta Income Fund	164,336	166,085	Financials – 31.7%			
25,900	SNC-Lavalin Group Inc.	136,728	815,073	13,100	AGF Management Ltd. Class B	243,142	366,800
6,050	Stantec Inc.	139,599	152,763	82,460	Bank of Montreal	2,802,981	5,689,740
14,200	Superior Plus Income Fund	298,609	152,082	161,800	Bank of Nova Scotia, The	4,273,387	8,429,780
11,500	Toromont Industries Ltd.	99,135	281,750	8,000	Boardwalk Real Estate Investment Trust	174,075	330,320
6,700	Transat A.T. Inc. Class B	141,817	212,993	54,931	Brookfield Asset Management Inc. Class A	602,145	3,095,911
13,700	Transcontinental Inc. Class A	145,145	285,371	22,557	Brookfield Properties Corporation	437,426	1,036,494
11,983	Transforce Income Fund	219,889	161,651	9,500	Calloway Real Estate Investment Trust	237,053	262,200
18,900	Westjet Airlines Ltd.	222,118	282,177	8,000	Canadian Apartment Properties Real Estate Investment Trust	123,293	148,640
13,800	Westshore Terminals Income Fund	154,509	162,702	55,660	Canadian Imperial Bank of Commerce	2,402,893	5,471,378
4,600	YBM Magnex International Inc.	64,485	–	9,500	Canadian Real Estate Investment Trust	214,286	298,965
		<u>8,692,569</u>	<u>11,956,110</u>	5,700	Canadian Western Bank	62,358	300,846
Consumer Discretionary – 5.1%				9,200	Chartwell Seniors Housing Real Estate Investment	128,715	128,248
7,300	Alliance Atlantis Communications Class B	141,193	368,504	21,800	CI Financial Income Fund	251,458	582,496
8,200	Astral Media Inc. Class A	156,025	327,426	6,200	Davis + Henderson Income Fund	119,690	95,852
7,300	Ballard Power Systems Inc.	464,963	48,618	5,000	Dundee Real Estate Investment Trust	186,668	193,250
13,360	Canadian Tire Corporation Ltd. Class A	369,066	946,957	9,800	Extencicare Real Estate Investment Trust	138,670	142,394
14,417	Canwest Global Communications Corporation	230,183	159,308	2,600	Fairfax Financial Holdings Ltd.	642,464	602,342
2,500	Cogeco Cable Inc.	78,423	81,225	4,950	GMP Capital Trust	113,547	107,910
8,100	Consumers' Waterheater Income Fund	126,607	108,702	35,572	Great-West Lifeco Inc.	529,168	1,202,334
7,100	Corus Entertainment Inc. Class B	287,157	294,650	18,800	H&R Real Estate Investment Trust	397,835	452,892
3,500	Dorel Industries Inc. Class B	93,507	110,390	6,100	Home Capital Group Inc.	160,004	207,705
3,100	Forzani Group Ltd. Class A	28,635	59,427	18,236	IGM Financial Inc.	378,268	895,388
4,700	Four Seasons Hotels Inc.	314,388	446,594	13,800	Industrial Alliance Insurance and Financial Services Inc.	240,547	498,732
7,700	Gildan Activewear Inc.	122,075	419,573	6,800	ING Canada Inc.	391,831	356,456
12,700	Great Canadian Gaming Corporation	270,112	146,939	10,900	Innvest Real Estate Investment Trust	137,304	150,420
11,600	Linamar Corporation	200,172	161,240	9,200	Kingsway Financial Services Inc.	109,946	223,652
17,480	Magna International Inc. Class A	1,409,978	1,640,848	3,900	Laurentian Bank of Canada	92,488	117,975
5,400	MEGA Brands Inc.	131,402	141,210	17,400	Legacy Hotels Real Estate Investment Trust	152,546	164,952
6,500	Quebecor Inc. Class B	229,584	233,155	252,700	Manulife Financial Corporation	5,134,588	9,943,745
16,700	Quebecor World Inc.	559,710	225,450	26,667	National Bank of Canada	639,091	1,755,755
9,300	Reitmans' (Canada) Ltd. Class A	177,532	206,367	3,500	Northbridge Financial Corporation	85,452	107,485
17,390	Rona Inc.	254,199	365,190	54,000	Power Corporation of Canada	784,510	1,905,660
5,500	Sears Canada Inc.	124,088	147,180	36,500	Power Financial Corporation	502,503	1,375,685
29,425	Shaw Communications Inc. Class B	842,640	1,086,077	7,900	Primaris Retail Real Estate Investment Trust	136,537	149,152
31,540	Thomson Corporation	1,458,689	1,525,905	14,500	Retirement Residences Real Estate Investment Trust	114,428	120,060
30,600	Tim Hortons Inc.	909,340	1,030,914	33,800	RioCan Real Estate Investment Trust	756,636	850,070
8,600	Torstar Corporation Class B	149,311	168,646	209,600	Royal Bank of Canada	4,445,819	11,632,800
9,700	UE Waterheater Income Fund	145,161	136,673	94,380	Sun Life Financial Services of Canada Inc.	2,748,169	4,654,822
84,300	Yellow Pages Income Fund	1,380,887	1,084,941	117,440	Toronto-Dominion Bank	4,405,568	8,187,917
		<u>10,655,027</u>	<u>11,672,109</u>	11,200	TSX Group Inc.	242,996	522,032
Consumer Staples – 2.7%						<u>35,740,485</u>	<u>72,759,255</u>
25,200	Alimentation Couche-Tard Inc. Class B	113,406	638,820				
11,500	Connors Brothers Income Fund	128,480	120,750				
12,800	Cott Corporation	336,445	213,632				
4,900	Empire Company Ltd. Class A	63,075	202,419				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Stock Index Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
CANADIAN EQUITIES (cont'd)			
Information Technology – 3.8%			
2,100	Aastra Technologies Ltd.	24,940	75,390
35,460	Celestica Inc.	2,137,582	321,977
44,013	CGI Group Inc. Class A	597,317	357,826
7,100	Cinram International Income Fund	93,215	162,945
15,300	Cognos Inc.	511,565	758,115
12,900	Emergis Inc.	786,886	68,112
7,600	Macdonald Dettwiler & Associates Ltd.	225,936	325,280
71,773	Nortel Networks Corporation	26,658,433	2,245,059
14,900	Onex Corporation	268,181	422,415
6,200	Open Text Corporation	138,637	148,304
25,300	Research in Motion Ltd.	1,293,037	3,769,700
		<u>32,735,729</u>	<u>8,655,123</u>
Telecommunication Services – 5.0%			
133,722	BCE Inc.	4,417,099	4,198,871
21,465	Bell Aliant Regional Communications	754,108	578,696
7,200	Bell Nordiq Income Fund	132,514	107,352
10,600	Manitoba Telecom Services Inc.	323,191	491,840
87,130	Rogers Communications Inc. Class B	1,274,935	3,023,411
56,702	Telus Corporation	1,745,661	3,034,691
		<u>8,647,508</u>	<u>11,434,861</u>
Utilities – 1.5%			
13,800	Algonquin Power Income Fund	138,529	137,034
6,000	Atco Ltd. Class I	107,856	301,980
12,600	Calpine Power Income Fund	119,777	158,256
8,900	Canadian Utilities Ltd. Class A	194,199	424,797
18,600	Emera Inc.	296,581	420,360
16,100	Energy Savings Income Fund	307,818	216,545
5,400	Epcor Power LP	187,896	144,450
17,400	Fortis Inc.	176,938	517,998
8,800	Northland Power Income Fund	125,776	115,016
34,120	TransAlta Corporation	651,950	908,956
15,300	TransAlta Power LP Trust	130,525	114,291
		<u>2,437,845</u>	<u>3,459,683</u>
	TOTAL INVESTMENT PORTFOLIO	<u>160,923,144</u>	<u>228,445,776</u>
	OTHER ASSETS, LESS LIABILITIES – 0.5%		<u>1,204,925</u>
	TOTAL NET ASSETS – 100.0%		<u>229,650,701</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Stock Index Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$228,445,776	\$231,087,650
Cash	920,776	–
Accrued investment income	344,813	644,095
Receivable for securities sold	–	3,785,735
Subscriptions receivable	124,268	313,168
	<u>229,835,633</u>	<u>235,830,648</u>
LIABILITIES		
Bank indebtedness	–	2,524,844
Distributions payable	1,515	460
Redemptions payable	15,962	44,735
Accrued expenses	167,455	182,807
	<u>184,932</u>	<u>2,752,846</u>
Net assets	<u>\$229,650,701</u>	<u>\$233,077,802</u>
NET ASSETS PER CLASS		
Class A Units	\$202,186,516	\$212,865,053
Class I Units	\$ 27,464,185	\$ 20,212,749
UNITS OUTSTANDING		
Class A Units	9,319,997	11,280,939
Class I Units	1,280,953	1,083,750
NET ASSET VALUE PER UNIT		
Class A Units	\$ 21.69	\$ 18.87
Class I Units	\$ 21.44	\$ 18.65

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 3,574,811	\$ 5,304,724
Interest	1,104,764	30,572
Securities lending	63,967	51,693
Foreign withholding taxes	(155)	–
	<u>4,743,387</u>	<u>5,386,989</u>
EXPENSES		
Management fees (note 4)	1,597,393	2,200,550
Audit fees	19,428	15,559
Directors'/trustee fees	2,755	2,642
Custodian fees	24,133	26,975
Filing fees	19,312	16,366
Legal fees	7,429	1,110
Unitholder reporting	67,328	120,513
Unitholder administration, service fees and GST	495,532	687,564
	<u>2,233,310</u>	<u>3,071,279</u>
Absorbed expenses	(195,093)	(268,399)
	<u>2,038,217</u>	<u>2,802,880</u>
Net investment income (loss)	<u>2,705,170</u>	<u>2,584,109</u>
Net realized gain (loss) on investments sold	19,665,538	34,260,695
Net realized gain (loss) on foreign exchange	32,973	(4,149)
Capital gains distributions received from investments	11,091	–
Change in unrealized appreciation (depreciation) of investments	11,906,756	20,456,346
Net gain (loss) on investments	<u>31,616,358</u>	<u>54,712,892</u>
Increase (decrease) in net assets from operations	<u>\$34,321,528</u>	<u>\$57,297,001</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$30,430,956	\$56,169,905
Class I Units	\$ 3,890,572	\$ 1,127,096
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 3.06	\$ 3.42
Class I Units	\$ 3.20	\$ 2.35

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$212,865,053	\$292,532,293
Class I Units	20,212,749	–
	<u>233,077,802</u>	<u>292,532,293</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	30,430,956	56,169,905
Class I Units	3,890,572	1,127,096
	<u>34,321,528</u>	<u>57,297,001</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(2,076,279)	(762,264)
Class I Units	(542,862)	(389,124)
	<u>(2,619,141)</u>	<u>(1,151,388)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	25,577,216	34,128,443
Class I Units	6,218,625	19,270,122
Reinvested distributions		
Class A Units	2,055,630	756,186
Class I Units	542,862	389,124
Payments on redemption		
Class A Units	(66,666,060)	(169,959,510)
Class I Units	(2,857,761)	(184,469)
	<u>(35,129,488)</u>	<u>(115,600,104)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(10,678,537)	(79,667,240)
Class I Units	7,251,436	20,212,749
	<u>(3,427,101)</u>	<u>(59,454,491)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	202,186,516	212,865,053
Class I Units	27,464,185	20,212,749
	<u>\$229,650,701</u>	<u>\$233,077,802</u>

Scotia Canadian Dividend Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 97.7%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 93.9%				CANADIAN EQUITIES (cont'd)			
Energy – 13.9%				Financials (cont'd)			
425,000	Calfrac Well Services Ltd.	14,271,483	9,392,500	900,000	Sun Life Financial Services of Canada Inc.	30,946,936	44,388,000
520,100	Canadian Natural Resources Ltd.	24,208,994	32,324,215	1,875,000	Toronto-Dominion Bank	78,269,523	130,725,000
1,225,000	EnCana Corporation	39,099,535	65,733,500			<u>490,111,071</u>	<u>830,927,964</u>
455,000	Imperial Oil Ltd.	5,961,776	19,533,150	Telecommunication Services – 5.4%			
360,000	Nexen Inc.	21,103,895	23,112,000	1,006,499	BCE Inc.	28,078,015	31,604,069
675,000	Petro-Canada	21,588,167	32,231,250	700,000	Bell Aliant Regional Communications	22,294,538	18,872,000
950,000	Shell Canada Ltd.	11,460,076	41,334,500	525,000	Manitoba Telecom Services Inc.	20,275,804	24,360,000
526,100	Suncor Energy Inc.	25,092,905	48,290,719	747,500	Telus Corporation Non-Voting	23,297,030	38,892,425
1,000,000	Talisman Energy Inc.	12,139,352	19,800,000			<u>93,945,387</u>	<u>113,728,494</u>
		<u>174,926,183</u>	<u>291,751,834</u>	Utilities – 5.5%			
Materials – 8.6%				425,000	Emera Inc.	7,757,378	9,605,000
360,000	Agrium Inc.	10,035,394	13,154,400	525,000	Enbridge Inc.	15,033,004	21,141,750
720,000	Alcan Inc.	34,602,976	40,881,600	1,202,700	Fortis Inc.	23,346,440	35,804,379
1,250,000	Barrick Gold Corporation	32,885,872	44,812,500	500,000	TransAlta Corporation	12,277,274	13,320,000
229,600	Cameco Corporation	2,442,085	10,837,120	850,000	TransCanada Corporation	19,753,160	34,518,500
455,000	Goldcorp Inc.	13,756,985	15,065,050			<u>78,167,256</u>	<u>114,389,629</u>
250,000	IAMGOLD Corporation	2,554,586	2,580,000	Income Trust Units – 8.1%			
75,000	Potash Corporation of Saskatchewan Inc.	5,044,112	12,525,000	775,000	AltaGas Income Trust	17,965,383	20,305,000
335,000	Teck Cominco Ltd. Class B	4,667,682	29,446,500	425,000	Bell Nordiq Income Fund	7,357,683	6,336,750
800,000	Yamana Gold Inc.	9,317,190	12,248,000	580,100	Canadian Apartment Properties Real Estate Investment Trust	10,080,665	10,778,258
		<u>115,306,882</u>	<u>181,550,170</u>	200,000	Canadian Oil Sands Trust	5,700,818	6,522,000
Industrials – 5.6%				600,000	CCS Income Trust	15,817,557	22,650,000
928,500	Canadian National Railway Company	30,569,229	46,489,995	500,000	Chartwell Seniors Housing Real Estate Investment Trust	6,645,560	6,970,000
230,000	Canadian Pacific Railway Ltd.	9,339,914	14,122,000	300,000	CML Healthcare Income Fund	4,556,686	4,185,000
525,000	Finning International Inc.	17,469,487	25,089,750	625,000	Cominar Real Estate Investment Trust	12,598,250	14,062,500
250,000	SNC-Lavalin Group Inc.	7,271,786	7,867,500	600,000	Energy Savings Income Fund	10,306,532	8,070,000
932,100	Toromont Industries Ltd.	21,834,370	22,836,450	360,000	Eveready Income Fund Trust	2,353,488	2,286,000
		<u>86,484,786</u>	<u>116,405,695</u>	375,000	Extencicare Real Estate Investment Trust	5,306,250	5,448,750
Consumer Discretionary – 2.9%				445,900	Keyera Facilities Income Fund	7,124,629	7,419,776
200,000	Canadian Tire Corporation Ltd. Class A	11,522,653	14,176,000	450,000	Newalta Income Fund	9,975,205	12,667,500
117,200	Quebecor World Inc. 6.152% 1st Pref. Series 3	2,879,641	1,780,268	500,000	Retirement Residences Real Estate Investment Trust	4,100,000	4,140,000
840,000	Rogers Communications Inc. Class B	17,869,009	29,148,000	300,000	RioCan Real Estate Investment Trust	6,055,617	7,545,000
200,000	Thomson Corporation	8,330,908	9,676,000	156,900	Royal Utilities Income Fund Trust	1,571,271	1,780,815
200,000	Tim Hortons Inc.	5,608,000	6,738,000	405,000	Student Transportation of America Inc. – IPS	4,849,101	4,556,250
		<u>46,210,211</u>	<u>61,518,268</u>	248,000	Total Energy Services Trust	4,472,363	2,961,120
Consumer Staples – 4.3%				1,200,000	TransAlta Power LP Trust	8,735,000	8,964,000
700,000	Alimentation Couche-Tard Inc. Class B	16,933,601	17,745,000	374,700	Trinidad Energy Services Income Trust	5,052,864	5,170,860
589,400	Jean Coutu Group Inc. Class A	6,791,229	8,104,250	600,000	Yellow Pages Income Fund	8,412,093	7,722,000
439,958	Loblaw Companies Ltd.	25,869,825	21,465,551			<u>159,037,015</u>	<u>170,541,579</u>
300,000	Saputo Inc.	9,939,485	11,088,000	TOTAL CANADIAN EQUITIES			
625,000	Shoppers Drug Mart Corporation	26,551,264	31,306,250			<u>1,330,274,195</u>	<u>1,970,522,684</u>
		<u>86,085,404</u>	<u>89,709,051</u>	FOREIGN EQUITIES – 3.8%			
Financials – 39.6%				United States – 3.8%			
900,000	Bank of Montreal	38,420,237	62,100,000	100,000	Arch Coal Inc.	4,404,458	3,499,103
1,350,000	Bank of Nova Scotia, The	62,158,167	70,335,000	100,000	Dominion Resources Inc.	8,562,277	9,769,057
450,000	Brookfield Asset Management Inc. Class A	4,423,394	25,362,000	250,000	Exelon Corporation	15,282,952	18,028,594
800,000	Canadian Imperial Bank of Commerce	48,422,671	78,640,000	100,000	Harsco Corporation	9,120,345	8,867,190
345,600	First Capital Realty Inc.	6,135,848	9,600,768	75,000	PepsiCo Inc.	5,095,183	5,466,256
1,350,000	Great-West Lifeco Inc.	26,079,958	45,630,000	225,000	Pfizer Inc.	8,948,594	6,790,217
332,000	Home Capital Group Inc.	11,333,545	11,304,600	150,000	Praxair Inc.	6,886,004	10,369,718
180,000	IGM Financial Inc.	8,332,200	8,838,000	625,000	Seaspan Corporation	15,672,785	16,837,175
2,850,000	Manulife Financial Corporation	65,739,899	112,147,500			<u>73,972,598</u>	<u>79,627,310</u>
600,000	National Bank of Canada	17,175,216	39,504,000	TOTAL FOREIGN EQUITIES			
1,300,000	Power Corporation of Canada	21,791,000	45,877,000			<u>1,404,246,793</u>	<u>2,050,149,994</u>
558,400	Power Financial Corporation	9,106,585	21,046,096	TOTAL EQUITIES			
2,260,000	Royal Bank of Canada	61,775,892	125,430,000				

For equities, all common shares unless otherwise noted
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Scotia Canadian Dividend Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
SHORT-TERM NOTES – 2.2%			
15,525,000	Government of Canada Treasury Bills 4.08% to 4.17% due from Jan. 25, 2007 to Apr. 5, 2007	15,384,661	15,442,651
2,435,000 (US)	Business Development Bank Commercial Paper 5.15% to 5.18% due from Jan. 23, 2007 to Mar. 16, 2007	2,762,787	2,823,558
24,325,000 (US)	Canadian Wheat Board Commercial Paper 5.12% to 5.16% due from Jan. 17, 2007 to Feb. 23, 2007	27,634,755	28,197,429
55,000 (US)	Export Development Corporation Commercial Paper 5.17% due Jan. 12, 2007	60,400	63,968
	TOTAL SHORT-TERM NOTES	<u>45,842,603</u>	<u>46,527,606</u>
	TOTAL INVESTMENT PORTFOLIO	<u>1,450,089,396</u>	<u>2,096,677,600</u>
	OTHER ASSETS, LESS LIABILITIES – 0.1%		<u>2,194,297</u>
	TOTAL NET ASSETS – 100.0%		<u><u>2,098,871,897</u></u>

Scotia Canadian Dividend Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$2,096,677,600	\$1,751,460,939
Cash	270,623	333,220
Accrued investment income	3,806,561	5,394,025
Subscriptions receivable	740,628	2,260,543
	<u>2,101,495,412</u>	<u>1,759,448,727</u>
LIABILITIES		
Distributions payable	456	335
Redemptions payable	211,937	453,340
Accrued expenses	2,411,122	2,193,068
	<u>2,623,515</u>	<u>2,646,743</u>
Net assets	<u>\$2,098,871,897</u>	<u>\$1,756,801,984</u>
NET ASSETS PER CLASS		
Class A Units	\$1,829,354,529	\$1,569,156,778
Class F Units	\$ 6,380,372	\$ 592,616
Class I Units	\$ 212,313,197	\$ 132,630,822
Scotia Private Client Units	\$ 50,823,799	\$ 54,421,768
UNITS OUTSTANDING		
Class A Units	46,872,169	45,014,813
Class F Units	163,889	17,024
Class I Units	5,427,082	3,796,546
Scotia Private Client Units	1,308,106	1,568,577
NET ASSET VALUE PER UNIT		
Class A Units	\$ 39.03	\$ 34.86
Class F Units	\$ 38.93	\$ 34.81
Class I Units	\$ 39.12	\$ 34.93
Scotia Private Client Units	\$ 38.85	\$ 34.70

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 38,804,514	\$ 33,297,391
Interest	12,758,220	10,245,031
Securities lending	255,943	162,044
Foreign withholding taxes	(451,002)	(368,397)
	<u>51,367,675</u>	<u>43,336,069</u>
EXPENSES		
Management fees (note 4)	25,137,185	20,142,268
Audit fees	26,815	22,248
Directors'/trustee fees	2,755	2,642
Custodian fees	125,651	103,396
Filing fees	79,157	64,602
Legal fees	29,153	7,891
Unitholder reporting	253,750	301,591
Unitholder administration, service fees and GST	2,804,501	2,477,112
	<u>28,458,967</u>	<u>23,121,750</u>
Absorbed expenses	(19,581)	(51,899)
	<u>28,439,386</u>	<u>23,069,851</u>
Net investment income (loss)	<u>22,928,289</u>	<u>20,266,218</u>
Net realized gain (loss) on investments sold	59,369,235	89,688,812
Net realized gain (loss) on foreign exchange	1,330,231	259,648
Capital gains distributions received from investments	109,431	11,150
Change in unrealized appreciation (depreciation) of investments	152,697,626	163,380,821
Net gain (loss) on investments	<u>213,506,523</u>	<u>253,340,431</u>
Increase (decrease) in net assets from operations	<u>\$236,434,812</u>	<u>\$273,606,649</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$204,005,988	\$250,375,947
Class F Units	\$ 540,681	\$ 88,490
Class I Units	\$ 25,174,243	\$ 13,325,042
Scotia Private Client Units	\$ 6,713,900	\$ 9,817,170
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 4.41	\$ 5.72
Class F Units	\$ 5.74	\$ 6.38
Class I Units	\$ 5.27	\$ 6.57
Scotia Private Client Units	\$ 5.03	\$ 6.29

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$1,569,156,778	\$1,212,891,559
Class F Units	592,616	385,567
Class I Units	132,630,822	36,849,270
Scotia Private Client Units	54,421,768	38,109,751
	<u>1,756,801,984</u>	<u>1,288,236,147</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	204,005,988	250,375,947
Class F Units	540,681	88,490
Class I Units	25,174,243	13,325,042
Scotia Private Client Units	6,713,900	9,817,170
	<u>236,434,812</u>	<u>273,606,649</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(12,471,021)	(10,140,640)
Class F Units	(63,219)	(6,789)
Class I Units	(4,289,776)	(1,623,538)
Scotia Private Client Units	(1,087,679)	(1,074,279)
From realized gain		
Class A Units	—	(10,749,540)
Class F Units	—	(4,057)
Class I Units	—	(889,145)
Scotia Private Client Units	—	(371,172)
	<u>(17,911,695)</u>	<u>(24,859,160)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	356,785,366	392,351,870
Class F Units	6,569,953	313,234
Class I Units	64,234,629	87,157,499
Scotia Private Client Units	18,548,458	27,356,247
Reinvested distributions		
Class A Units	12,151,849	20,343,515
Class F Units	61,215	8,533
Class I Units	4,138,042	2,512,683
Scotia Private Client Units	1,075,131	1,443,353
Payments on redemption		
Class A Units	(300,274,431)	(285,915,933)
Class F Units	(1,320,874)	(192,362)
Class I Units	(9,574,763)	(4,700,989)
Scotia Private Client Units	(28,847,779)	(20,859,302)
	<u>123,546,796</u>	<u>219,818,348</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	260,197,751	356,265,219
Class F Units	5,787,756	207,049
Class I Units	79,682,375	95,781,552
Scotia Private Client Units	(3,597,969)	16,312,017
	<u>342,069,913</u>	<u>468,565,837</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	1,829,354,529	1,569,156,778
Class F Units	6,380,372	592,616
Class I Units	212,313,197	132,630,822
Scotia Private Client Units	50,823,799	54,421,768
	<u>\$2,098,871,897</u>	<u>\$1,756,801,984</u>

The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Number of Contracts	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 97.4%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 80.8%				CANADIAN EQUITIES (cont'd)			
Energy – 15.2%				Financials (cont'd)			
117,724	Canadian Natural Resources Ltd.	2,233,727	7,316,547	612	S&P/TSX 60 Index Put Options \$73.55 Feb. 16, 2007	108,936	45,726
232,673	EnCana Corporation	5,097,850	12,485,233	225,338	Sun Life Financial Services of Canada Inc.	7,300,889	11,113,670
68,700	Ensign Resource Service Group Inc.	970,636	1,263,393	305,158	Toronto-Dominion Bank	9,639,550	21,275,616
36,584	Husky Energy Inc.	1,056,913	2,855,015			<u>71,620,504</u>	<u>135,137,926</u>
113,175	Imperial Oil Ltd.	2,836,327	4,858,603				
105,811	Nexen Inc.	6,722,088	6,793,066				
201,454	Petro-Canada	5,262,079	9,619,429				
38,371	Shell Canada Ltd.	679,636	1,669,522				
131,700	Suncor Energy Inc.	3,929,351	12,088,743				
400,200	Talisman Energy Inc.	3,323,890	7,923,960				
39,300	Trican Well Service Ltd.	942,325	798,576				
46,600	Western Oil Sands Inc. Class A	1,106,537	1,524,286				
		<u>34,161,359</u>	<u>69,196,373</u>				
Materials – 10.2%				Information Technology – 2.6%			
41,700	Agnico-Eagle Mines Ltd.	1,881,078	2,005,353	186,800	CGI Group Inc. Class A	1,859,481	1,518,684
133,935	Alcan Inc.	6,827,330	7,604,829	28,570	Cognos Inc.	1,379,643	1,415,644
316,522	Barrick Gold Corporation	8,533,863	11,347,314	133,288	Nortel Networks Corporation	7,125,560	4,169,249
93,912	Cameco Corporation	646,947	4,432,646	32,400	Research in Motion Ltd.	2,692,891	4,827,600
240,900	Goldcorp Inc.	6,701,232	7,976,199			<u>13,057,575</u>	<u>11,931,177</u>
164,300	Kinross Gold Corporation	2,023,563	2,270,626				
15,690	Potash Corporation of Saskatchewan Inc.	1,052,625	2,620,230				
94,105	Teck Cominco Ltd. Class B	3,158,283	8,271,830				
		<u>30,824,921</u>	<u>46,529,027</u>				
Industrials – 6.3%				Telecommunication Services – 3.0%			
227,200	Bombardier Inc. Class B	876,157	897,440	220,189	BCE Inc.	6,850,438	6,913,935
288,800	CAE Inc.	2,676,287	3,104,600	22,581	Bell Aliant Regional Communications	872,271	608,784
234,650	Canadian National Railway Company	4,226,557	11,748,926	118,440	Telus Corporation	3,126,047	6,338,909
75,724	Canadian Pacific Railway Ltd.	2,666,225	4,649,454			<u>10,848,756</u>	<u>13,861,628</u>
50,300	Finning International Inc.	1,407,697	2,403,837				
33,100	Macdonald Dettwiler & Associates Ltd.	780,756	1,416,680				
30,500	Ritchie Bros. Auctioneers Inc.	770,016	1,902,741				
81,100	SNC-Lavalin Group Inc.	2,509,036	2,552,217				
		<u>15,912,731</u>	<u>28,675,895</u>				
Consumer Discretionary – 4.9%				Utilities – 3.0%			
69,250	Alliance Atlantis Communications Class B	1,734,689	3,495,740	144,480	Enbridge Inc.	3,587,602	5,818,210
85,100	Astral Media Inc. Class A	2,308,572	3,398,043	165,810	TransAlta Corporation	2,858,255	4,417,178
31,164	Canadian Tire Corporation Ltd. Class A	1,434,023	2,208,904	86,600	TransCanada Corporation	1,994,159	3,516,826
242,580	Rogers Communications Inc. Class B	4,311,154	8,417,526			<u>8,440,016</u>	<u>13,752,214</u>
82,248	Thomson Corporation	3,754,776	3,979,158				
26,400	Tim Hortons Inc.	896,148	889,416				
		<u>14,439,362</u>	<u>22,388,787</u>				
Consumer Staples – 3.6%				Income Trust Units – 2.1%			
98,390	Alimentation Couche-Tard Inc. Class B	1,701,270	2,494,187	113,000	Canadian Oil Sands Trust	3,369,350	3,684,930
157,902	Jean Coutu Group Inc. Class A	1,843,314	2,171,153	80,101	Penn West Energy Trust	1,612,926	2,849,193
23,545	Loblaw Companies Ltd.	1,277,124	1,148,761	75,180	Precision Drilling Trust	2,387,272	2,029,860
41,926	Metro Inc. Class A	987,147	1,590,672	83,700	Yellow Pages Income Fund	1,205,910	1,077,219
101,301	Saputo Inc.	3,396,303	3,744,085			<u>8,575,458</u>	<u>9,641,202</u>
102,923	Shoppers Drug Mart Corporation	2,725,101	5,155,413			<u>221,097,808</u>	<u>368,748,407</u>
		<u>11,930,259</u>	<u>16,304,271</u>				
Health Care – 0.3%				TOTAL CANADIAN EQUITIES			
62,525	MDS Inc.	1,286,867	1,329,907				
Financials – 29.6%				FOREIGN EQUITIES – 16.6%			
154,048	Bank of Montreal	5,856,927	10,629,312	United States – 7.0%			
148,300	Bank of Nova Scotia, The	6,783,838	7,726,430	4,060	Abbott Laboratories	213,240	230,433
136,320	Brookfield Asset Management Inc. Class A	2,189,086	7,682,995	2,840	Abercrombie & Fitch Company Class A	213,603	230,418
134,942	Canadian Imperial Bank of Commerce	7,424,146	13,264,799	6,650	Adobe Systems Inc.	263,080	318,622
176,500	Great-West Lifeco Inc.	3,824,756	5,965,700	6,330	Advanced Micro Devices Inc.	155,943	150,096
527,570	Manulife Financial Corporation	10,833,565	20,759,874	4,280	Alcoa Inc.	166,741	149,662
45,634	National Bank of Canada	2,047,164	3,004,543	3,440	Altria Group Inc.	310,675	343,992
301,690	Power Corporation of Canada	5,852,900	10,646,640	5,450	American Express Company	357,576	385,276
414,822	Royal Bank of Canada	9,758,747	23,022,621	6,990	American International Group Inc.	526,614	583,654
				6,050	Amgen Inc.	478,595	481,550
				1,730	Apache Corporation	125,419	134,071
				6,050	Apple Computer Inc.	417,349	598,077
				20,110	AT&T Corporation	644,088	837,702
				17,030	Bank of America Corporation	981,246	1,059,439
				11,350	Bank of New York Company Inc.	452,948	520,670
				3,110	Best Buy Company Inc.	195,454	178,254
				1,500	Boeing Company	137,409	155,275
				2,420	Broadcom Corporation Class A	85,651	91,107
				1,500	Burlington Northern Santa Fe Corporation	130,411	129,005
				1,690	Caterpillar Inc.	93,367	120,771
				3,900	Chevron Corporation	309,584	334,142
				20,740	Cisco Systems Inc.	580,768	660,465
				15,040	Citigroup Inc.	895,416	976,123
				4,200	Colgate-Palmolive Company	299,016	319,275
				7,770	Comcast Corporation Class A	305,074	383,240
				5,460	ConocoPhillips	258,500	457,746
				4,416	Constellation Brands Inc. Class A	146,454	149,323
				9,860	Corning Inc.	287,142	214,957
				2,520	Costco Wholesale Corporation	132,670	155,243
				8,800	CVS Corporation	258,093	316,944
				1,840	Danaher Corporation	135,336	155,309
				1,200	Deere & Company	111,520	132,931

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund (Continued)

Number of Shares/ Number of Contracts	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
United States (cont'd)				United States (cont'd)			
5,180	Dollar General Corporation	81,848	96,934	4,030	Wal-Mart Stores Inc.	222,836	216,850
6,430	Dominion Resources Inc.	555,906	628,150	8,440	Walt Disney Company	274,169	337,022
1,840	Eaton Corporation	151,583	161,098	2,590	WellPoint Inc.	222,531	237,477
2,360	Electronic Arts Inc.	154,287	138,484	10,810	Wells Fargo & Company	403,544	447,908
3,300	Eli Lilly & Company	210,026	200,333	7,300	Wyeth	406,814	433,124
4,900	Emerson Electric Company	211,252	251,731	3,663	XTO Energy Inc.	138,246	200,816
5,640	Entergy Corporation	488,077	606,703	5,750	Yahoo! Inc.	176,893	171,116
1,960	Exelon Corporation	131,892	141,344	1,800	Zimmer Holdings Inc.	152,151	164,391
10,620	Exxon Mobil Corporation	704,666	948,254			<u>28,158,825</u>	<u>31,756,847</u>
3,450	Federated Department Stores Inc.	156,534	153,281				
1,810	Franklin Resources Inc.	205,096	232,350	Australia – 0.3%			
1,900	Freeport-McMoran Copper & Gold Inc. Class B	127,235	123,380	5,500	Coles Group Ltd.	64,139	70,649
7,130	GAP Inc.	151,430	162,004	34,900	Macquarie Airports	103,380	115,486
21,980	General Electric Company	927,731	952,991	2,305	Macquarie Bank Ltd.	153,181	166,453
1,000	Gilead Sciences Inc.	75,759	75,657	7,000	National Australia Bank Ltd.	225,456	259,206
850	Goldman Sachs Group Inc.	120,828	197,441	26,113	QBE Insurance Group Ltd.	474,031	693,185
3,520	Goodrich Corporation	151,927	186,824	11,400	Zinifex Ltd.	148,750	196,312
210	Google Inc.	97,302	112,676			<u>1,168,937</u>	<u>1,501,291</u>
3,800	Halliburton Company	139,149	137,482	Austria – 0.1%			
1,680	Harrah's Entertainment Inc.	140,845	161,928	2,300	OMV AG	119,377	151,400
3,130	Hartford Financial Services Group Inc.	271,832	340,309	3,100	Voest Alpine AG	95,138	203,840
1,300	Hess Corporation	76,952	75,087			<u>214,515</u>	<u>355,240</u>
7,220	Hewlett-Packard Company	297,062	346,522	Belgium – 0.1%			
4,816	Home Depot Inc.	217,733	225,362	6,000	Fortis	234,255	297,162
3,220	Honeywell International Inc.	147,233	169,738	Finland – 0.1%			
17,300	Intel Corporation	453,919	408,200	7,900	Nokia Oyj	175,243	187,154
860	International Business Machines Corporation	97,628	97,351	8,100	Stora Enso Oyj Class R	134,383	150,457
9,790	Johnson & Johnson	709,772	753,112			<u>309,626</u>	<u>337,611</u>
13,360	JPMorgan Chase & Company	651,999	751,891	France – 1.1%			
5,480	Kellogg Company	284,864	319,649	500	Air France	24,590	24,511
1,940	Kohl's Corporation	124,978	154,686	6,949	BNP Paribas SA	656,398	879,233
3,370	McCormick & Company Inc.	140,683	151,415	5,460	Capgemini SA	274,289	397,825
3,800	McGraw-Hill Companies Inc.	204,331	301,177	1,300	Compagnie Generale des Etablissements Michelin Class B	109,918	144,874
1,610	MEMC Electronic Materials Inc.	53,975	73,426	5,500	Credit Agricole SA	170,574	268,484
4,580	Merrill Lynch & Company Inc.	392,506	496,840	1,734	Essilor International SA	194,105	216,648
8,300	Micron Technology Inc.	137,118	135,010	1,181	Groupe Danone	184,005	208,372
22,590	Microsoft Corporation	727,488	785,973	3,400	Renault SA	377,628	475,479
6,330	Motorola Inc.	162,523	151,645	3,500	Sanofi-Aventis SA	314,505	375,421
7,710	Nabors Industries Ltd.	263,159	267,535	6,500	SES Global SA – FDR	119,082	134,473
4,370	Newmont Mining Corporation	250,909	229,901	1,785	Societe Generale	224,026	351,795
6,170	Norfolk Southern Corporation	322,956	361,550	9,347	Societe Television Francaise 1	347,261	403,799
2,110	Omnicom Group Inc.	220,358	257,020	5,944	Total SA	359,856	499,274
14,610	Oracle Corporation	249,677	291,785	3,565	Vinci SA	382,702	529,063
95	Oracle Corporation Call Options \$17.50 Jan. 19, 2007	12,423	2,491			<u>3,738,939</u>	<u>4,909,251</u>
3,380	Peabody Energy Corporation	168,269	159,150	Germany – 0.7%			
6,600	PepsiCo Inc.	437,680	481,031	600	Allianz AG Holdings	110,265	142,750
15,000	Pfizer Inc.	498,738	452,681	3,000	BASF AG	310,937	340,117
60	Pfizer Inc. Put Options \$25.00 Jan. 19, 2007	2,875	1,223	6,007	Bayer AG	334,788	375,396
3,920	Praxair Inc.	195,473	270,995	1,600	Continental AG	142,121	216,671
8,316	Procter & Gamble Company	529,974	622,765	1,200	DaimlerChrysler AG	69,507	86,553
4,220	Prudential Financial Inc.	269,297	422,187	8,500	Deutsche Lufthansa AG	166,289	272,388
5,020	Qualcomm Inc.	240,873	221,046	7,300	Deutsche Telekom AG	149,102	155,290
4,330	Schlumberger Ltd.	200,486	318,663	2,333	E.ON AG	198,056	368,703
2,650	Starwood Hotels & Resorts Worldwide Inc.	177,563	192,987	1,527	Merck KGAA	186,743	184,343
5,520	Symantec Corporation	132,623	134,105	2,400	Muenchener Rueckver AG	350,685	480,457
4,420	Target Corporation	267,259	293,819	4,705	RWE AG	475,950	603,768
9,200	Texas Instruments Inc.	319,752	308,732	3,800	TUI AG	86,048	88,429
1,370	Textron Inc.	123,737	149,688			<u>2,580,491</u>	<u>3,314,865</u>
3,500	Thermo Electron Corporation	140,603	184,702	Greece – 0.0%			
6,300	Time Warner Inc.	159,759	159,882	412	OPAP SA	18,357	18,544
2,060	Transocean Inc.	108,184	194,162				
4,200	United Technologies Corporation	259,770	305,964				
5,520	UnitedHealth Group Inc.	310,739	345,587				
7,590	Verizon Communications Inc.	279,438	329,346				
3,450	Wachovia Corporation	214,116	228,936				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund (continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Hong Kong – 0.2%				Singapore – 0.1%			
27,000	Esprit Holdings Ltd.	272,669	349,289	13,900	Flextronics International Ltd.	225,178	185,934
74,000	Li & Fung Ltd.	197,236	267,412	Spain – 0.3%			
100,540	Sino Land Co. Ltd.	167,225	271,979	21,220	Banco Bilbao Vizcaya Argentaria SA	467,503	593,129
		637,130	888,680	7,100	Repsol YPF SA	224,975	285,421
				18,144	Telefonica SA	429,386	448,514
Ireland – 0.2%				Sweden – 0.1%			
24,959	Anglo Irish Bank Corporation PLC	523,020	600,469	8,900	Nordea Bank AB	144,530	159,554
6,736	C&C Group PLC	122,670	139,263	2,900	Svenska Cellulosa AB Class B	147,691	176,169
6,623	CRH PLC	220,256	320,038	17,289	TeliaSonera AB	158,278	165,050
		865,946	1,059,770	Switzerland – 1.2%			
Italy – 0.4%				United Kingdom – 1.8%			
6,800	Buzzi Unicem SpA	128,290	224,735	4,400	Astrazeneca PLC	269,524	275,100
25,792	Eni SpA	794,203	1,010,826	17,400	Aviva PLC	236,767	325,625
2,800	Fondiarria-Sai SpA	130,362	156,036	27,800	BAE Systems PLC	198,316	268,738
1,200	Fondiarria-Sai SpA – RNC	42,980	49,552	23,127	Barclays PLC	264,814	383,846
48,498	UniCredito Italiano SpA	431,100	493,799	13,015	BG Group PLC	170,024	206,829
		1,526,935	1,934,948	20,400	BP PLC	276,904	265,663
Japan – 2.5%				TOTAL FOREIGN EQUITIES			
12,300	Canon Inc.	586,654	811,524	63,192,895			
4,300	Daiichi Sankyo Co. Ltd.	148,193	156,585	TOTAL EQUITIES			
16,000	Daiwa House Industry Co. Ltd.	312,379	323,544	284,290,703			
5,900	Denso Corporation	257,262	272,952	SHORT-TERM NOTES – 2.4%			
22	East Japan Railway Co. Ltd.	154,572	170,920	11,075,000	Government of Canada Treasury Bills		
5,500	Edion Corporation	130,062	95,164	4.14% to 4.17% due from			
13,000	Hitachi Ltd.	96,794	94,563	Jan. 11, 2007 to Apr. 5, 2007			
10,300	Honda Motor Co. Ltd.	337,249	474,686	10,958,870			
9,100	Hoya Corporation	328,774	413,867	TOTAL INVESTMENT PORTFOLIO			
16,000	Itochu Corporation	99,987	153,307	295,249,573			
80	Japan Tobacco Inc.	195,097	449,588	OTHER ASSETS, LESS LIABILITIES – 0.2%			
7,600	JFE Holdings Inc.	229,410	453,814	930,853			
7,000	Mitsubishi Corporation	132,312	153,044	TOTAL NET ASSETS – 100.0%			
36	Mitsubishi UFJ Financial Group Inc.	482,786	521,803	456,292,522			
31,000	Mitsui & Co. Ltd.	468,500	537,531				
23,000	Mitsui Chemicals Inc.	168,854	205,570				
25,000	Mitsui O.S.K. Lines Ltd.	205,110	287,679				
16,000	NGK Insulators Ltd.	254,805	288,364				
21,500	Nippon Mining Holdings Inc.	155,197	180,225				
46	Nippon Telegraph and Telephone Corporation	249,080	264,812				
8,300	Nissan Motor Co. Ltd.	101,437	117,457				
7,300	Nitto Denko Corporation	507,816	423,894				
18,100	Nomura Holdings Inc.	391,060	398,940				
2,750	Orix Corporation	711,199	929,567				
10,000	Rengo Co. Ltd.	65,495	74,292				
10,000	Ricoh Co. Ltd.	232,168	238,235				
12,000	Sharp Corporation	234,731	241,077				
2,900	Shin-Etsu Chemical Co. Ltd.	210,944	224,905				
18,000	Sumitomo Heavy Industries Ltd.	126,992	220,608				
63	Sumitomo Mitsui Financial Group Inc.	613,913	748,699				
6,600	Tokyo Electric Power Co. Ltd.	192,881	248,884				
27,000	Tokyo Gas Co. Ltd.	146,645	167,326				
27,000	Toshiba Corporation	190,573	205,028				
13,900	Toyota Motor Corporation	755,708	1,062,120				
		9,474,639	11,610,574				
Netherlands – 0.4%							
6,967	ABN AMRO Holding NV	211,428	260,354				
5,500	Buhrmann NV	88,765	95,185				
5,970	European Aeronautic Defence & Space Company	240,354	239,356				
11,312	ING Groep NV	375,688	583,949				
4,800	Koninklijke Bam Groep NV	103,429	108,254				
4,300	Koninklijke KPN NV	46,050	71,008				
5,550	Mittal Steel Company NV	209,090	271,505				
4,300	Wolters Kluwer NV	120,210	144,034				
		1,395,014	1,773,645				

For equities, all common shares unless otherwise noted
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Scotia Canadian Blue Chip Fund (Continued)

COMMITMENTS - FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/ (Depreciation)
Mar. 15, 2007	Canadian Dollar	2,305,218	Japanese Yen	230,614,000	2,272,880	32,338
Mar. 15, 2007	Canadian Dollar	404,148	Swiss Franc	417,000	400,089	4,059
Mar. 15, 2007	Canadian Dollar	41,841	Swiss Franc	45,000	43,175	(1,334)
Mar. 15, 2007	Hong Kong Dollar	1,307,000	Canadian Dollar	192,944	195,900	(2,957)
Mar. 15, 2007	Japanese Yen	22,479,000	Canadian Dollar	221,359	221,548	189
					<u>3,133,592</u>	<u>32,295</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Canadian Blue Chip Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$455,361,669	\$479,442,260
Cash	1,028,718	767,137
Accrued investment income	634,575	965,449
Receivable for securities sold	154,572	4,834,016
Subscriptions receivable	64,814	325,659
Receivable from forward contracts	32,295	-
	<u>457,276,643</u>	<u>486,334,521</u>
LIABILITIES		
Payable for securities purchased	230,117	59,665
Redemptions payable	27,119	106,866
Accrued expenses	726,885	811,090
Payable for currency forward contracts	-	50,207
	<u>984,121</u>	<u>1,027,828</u>
Net assets	<u>\$456,292,522</u>	<u>\$485,306,693</u>
NET ASSETS PER CLASS		
Class A Units	\$430,903,781	\$435,685,433
Class F Units	\$ 29,770	\$ 19,588
Class I Units	\$ 25,358,971	\$ 20,873,672
Scotia Private Client Units	\$ -	\$ 28,728,000
UNITS OUTSTANDING		
Class A Units	15,459,368	18,026,123
Class F Units	1,067	810
Class I Units	882,455	854,452
Scotia Private Client Units	-	1,081,373
NET ASSET VALUE PER UNIT		
Class A Units	\$ 27.87	\$ 24.17
Class F Units	\$ 27.91	\$ 24.18
Class I Units	\$ 28.74	\$ 24.43
Scotia Private Client Units	\$ -	\$ 26.57

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 7,486,033	\$ 11,866,336
Interest	1,554,032	1,181,348
Securities lending	20,142	11,393
Foreign withholding taxes	(173,777)	(395,781)
	<u>8,886,430</u>	<u>12,663,296</u>
EXPENSES		
Management fees (note 4)	7,776,878	9,439,309
Audit fees	19,700	19,172
Directors/trustee fees	2,755	2,642
Custodian fees	197,789	200,820
Filing fees	39,304	43,056
Legal fees	15,403	6,067
Unitholder reporting	111,110	178,394
Unitholder administration, service fees and GST	1,099,413	1,366,321
	<u>9,262,352</u>	<u>11,255,781</u>
Absorbed expenses	(21,002)	(204,660)
	<u>9,241,350</u>	<u>11,051,121</u>
Net investment income (loss)	<u>(354,920)</u>	<u>1,612,175</u>
Net realized gain (loss) on investments sold	64,871,839	110,201,591
Net realized gain (loss) on foreign exchange	7,570	(75,410)
Change in unrealized appreciation (depreciation) of investments	961,804	8,281,574
Change in unrealized appreciation (depreciation) of currency forward	82,503	(50,207)
Net gain (loss) on investments	<u>65,923,716</u>	<u>118,357,548</u>
Increase (decrease) in net assets from operations	<u>\$65,568,796</u>	<u>\$119,969,723</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$60,445,181	\$ 87,387,536
Class F Units	\$ (17,027)	\$ 1,911
Class I Units	\$ 3,925,296	\$ 1,098,871
Scotia Private Client Units	\$ 1,215,346	\$ 31,481,405
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 3.67	\$ 3.76
Class F Units	\$ (19.47)	\$ 4.00
Class I Units	\$ 4.19	\$ 2.88
Scotia Private Client Units	\$ 4.60	\$ 4.19

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	\$435,685,433	\$529,657,755
Class F Units	19,588	8,438
Class I Units	20,873,672	-
Scotia Private Client Units	28,728,000	228,067,693
	<u>485,306,693</u>	<u>757,733,886</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	60,445,181	87,387,536
Class F Units	(17,027)	1,911
Class I Units	3,925,296	1,098,871
Scotia Private Client Units	1,215,346	31,481,405
	<u>65,568,796</u>	<u>119,969,723</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	23,654,969	32,945,764
Class F Units	27,209	18,672
Class I Units	6,425,781	19,964,928
Scotia Private Client Units	35,752	60,686,642
Payments on redemption		
Class A Units	(88,881,802)	(214,305,622)
Class F Units	-	(9,433)
Class I Units	(5,865,778)	(190,127)
Scotia Private Client Units	(29,979,098)	(291,507,740)
	<u>(94,582,967)</u>	<u>(392,396,916)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(4,781,652)	(93,972,322)
Class F Units	10,182	11,150
Class I Units	4,485,299	20,873,672
Scotia Private Client Units	(28,728,000)	(199,339,693)
	<u>(9,014,171)</u>	<u>(272,427,193)</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	430,903,781	435,685,433
Class F Units	29,770	19,588
Class I Units	25,358,971	20,873,672
Scotia Private Client Units	-	28,728,000
	<u>\$456,292,522</u>	<u>\$485,306,693</u>

Scotia Canadian Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Number of Contracts	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES - 99.3%				CANADIAN EQUITIES (cont'd)			
CANADIAN EQUITIES - 88.7%				Industrials (cont'd)			
Energy - 17.1%							
194,000	Canadian Natural Resources Ltd.	6,156,987	12,057,100	85,700	Finning International Inc.	3,501,460	4,095,603
80,000	Canadian Sub-Surface Energy Services Corporation	600,000	312,000	61,300	Macdonald Dettwiler & Associates Ltd.	1,552,139	2,623,640
400,000	EnCana Corporation	9,828,158	21,464,000	215,800	QuestAir Technologies Inc.	291,330	280,540
125,000	Ensign Resource Service Group Inc.	1,908,891	2,298,750	45,000	Ritchie Bros. Auctioneers Inc.	1,061,477	2,807,322
80,000	Galleon Energy Inc.	1,595,234	1,446,400	193,000	SNC-Lavalin Group Inc.	5,812,965	6,073,710
560,000	Grand Petroleum Inc.	1,614,838	1,988,000	1,050,000	VRB Power Systems Inc.	682,500	588,000
70,000	Husky Energy Inc.	2,188,711	5,462,800	100,000	Westjet Airlines Ltd.	1,133,630	1,493,000
160,000	Imperial Oil Ltd.	4,132,109	6,868,800			<u>41,307,933</u>	<u>60,393,222</u>
150,000	Leader Energy Services Ltd.	741,826	247,500	Consumer Discretionary - 5.2%			
194,000	Nexen Inc.	12,459,709	12,454,800	82,500	Alliance Atlantis Communications Class B	1,887,722	4,164,600
200,000	Oilexco Inc.	1,271,400	1,450,000	94,600	Astral Media Inc. Class A	1,119,884	3,777,378
235,000	Paladin Resources Ltd.	1,164,906	1,872,950	53,409	Canadian Tire Corporation Ltd. Class A	2,773,733	3,785,630
200,000	Pan Orient Energy Corporation	799,593	650,000	55,000	Corus Entertainment Inc. Class B	1,608,658	2,282,500
240,242	Peerless Energy Inc. Class A	846,649	972,980	399,600	Rogers Communications Inc. Class B	8,923,567	13,866,120
350,000	Petro-Canada	11,520,752	16,712,500	110,000	Shaw Communications Inc. Class B	3,113,373	4,060,100
200,400	Petrobank Energy & Resources Ltd.	2,793,532	3,551,088	150,000	Thomson Corporation	6,975,582	7,257,000
100,000	Shawcor Ltd. Class A	1,761,014	2,505,000	55,000	Tim Hortons Inc.	1,866,975	1,852,950
60,000	Shell Canada Ltd.	1,034,968	2,610,600			<u>28,269,494</u>	<u>41,046,278</u>
230,000	Suncor Energy Inc.	9,032,546	21,111,700	Consumer Staples - 3.0%			
658,000	Talisman Energy Inc.	5,881,452	13,028,400	170,000	Alimentation Couche-Tard Inc. Class B	2,352,004	4,309,500
80,000	Trican Well Service Ltd.	2,090,426	1,625,600	140,000	Atrium Biotechnologies Inc.	1,517,000	2,114,000
200,000	Verenex Energy Inc.	1,068,713	1,338,000	249,848	Jean Coutu Group Inc. Class A	2,916,701	3,435,410
92,900	Western Oil Sands Inc. Class A	1,758,207	3,038,759	68,438	Metro Inc. Class A	1,580,770	2,596,538
		<u>82,250,621</u>	<u>135,067,727</u>	50,000	Saputo Inc.	1,575,985	1,848,000
				195,000	Shoppers Drug Mart Corporation	8,182,113	9,767,550
						<u>18,124,573</u>	<u>24,070,998</u>
Materials - 13.5%				Health Care - 1.3%			
130,000	Agnico-Eagle Mines Ltd.	5,758,417	6,251,700	630,000	6550568 Canada Inc.	-	-
245,000	Alcan Inc.	11,931,829	13,911,100	75,000	Angiotech Pharmaceuticals Inc.	1,181,451	717,910
35,000	Aurelian Resources Inc.	1,053,445	1,085,000	630,000	Conjuchem Biotechnologies Inc.	802,691	447,300
80,000	Aurora Energy Resources Inc.	1,106,200	1,084,000	907,693	Isotechnika Inc.	3,492,183	1,506,770
430,000	Barrick Gold Corporation	12,851,272	15,415,500	2,000,000	Medical Ventures Corporation	1,053,191	460,000
165,300	Cameco Corporation	2,242,561	7,802,160	1,600,000	Medicure Inc.	1,494,183	2,256,000
200,000	Cumberland Resources Ltd.	1,080,000	1,288,000	1,000,000	Migenix Inc.	600,000	540,000
600,000	Equinox Minerals Ltd.	1,227,151	1,134,000	500,000	Migenix Inc. Warrants Dec. 6, 2011	-	-
900,000	European Minerals Corporation	1,026,272	801,000	1,500,000	Monogen Inc.	750,000	1,350,000
720,000	GBS Gold International Inc.	1,607,464	2,505,600	600,000	Ondine Biopharma Corporation	1,136,721	858,000
535,800	Goldcorp Inc.	13,893,460	17,740,338	1,000,000	Response Biomedical Corporation	705,000	730,000
87,700	Guyana Goldfields Inc.	643,870	1,045,384	814,100	Tm Bioscience Corporation	811,144	683,844
270,000	IAMGOLD Corporation	2,693,820	2,786,400	50,000	Tm Bioscience Corporation Warrants May 1, 2009	5,600	-
325,000	International Royalty Corporation	1,402,853	1,930,500	1,500,000	VSM MedTech Ltd.	1,830,769	75,000
500,000	Ivernia Inc.	863,038	735,000	1,770,000	World Heart Corporation Warrants Sep. 22, 2008	-	-
270,000	Kinross Gold Corporation	3,055,520	3,731,400	250,000	YM BioSciences Inc.	857,035	827,500
1,062,400	Lake Shore Gold Corporation	2,035,836	1,657,344			<u>14,719,968</u>	<u>10,452,324</u>
29,100	Potash Corporation of Saskatchewan Inc.	2,379,610	4,859,700	Financials - 30.1%			
200,000	Shore Gold Inc.	1,245,722	1,230,000	190,000	Bank of Montreal	8,961,410	13,110,000
85,000	Skye Resources Inc.	913,750	981,750	255,000	Bank of Nova Scotia, The	11,667,641	13,285,500
42,500	Skye Resources Inc. Warrants Mar. 13, 2008	-	99,875	187,500	Brookfield Asset Management Inc. Class A	5,734,432	10,567,500
167,500	Teck Cominco Ltd. Class B	7,356,839	14,723,250	214,000	Canadian Imperial Bank of Commerce	14,166,510	21,036,200
320,000	U308 Corporation	800,000	1,168,000	265,000	Great-West Lifeco Inc.	7,423,707	8,957,000
100,000	UR-Energy Inc.	322,515	386,000	90,000	IGM Financial Inc.	4,324,716	4,419,000
140,000	Yamana Gold Inc.	1,435,513	2,143,400	1,015,000	Manulife Financial Corporation	24,543,974	39,940,250
		<u>78,926,957</u>	<u>106,496,401</u>	100,000	National Bank of Canada	4,984,081	6,584,000
Industrials - 7.6%				540,900	Power Corporation of Canada	14,461,690	19,088,361
465,100	Allen-Vanguard Corporation	999,516	1,651,105	870,000	Royal Bank of Canada	23,091,309	48,285,006
196,200	Allen-Vanguard Corporation Warrants Mar. 15, 2007	-	304,110	1,536	S&P/TSX 60 Index Put Options \$73.55 Feb. 16, 2007	273,408	114,763
1,025,000	Bombardier Inc. Class B	3,953,928	4,048,750				
550,000	CAE Inc.	4,571,839	5,912,500				
448,600	Canadian National Railway Company	12,543,306	22,461,402				
119,100	Canadian Pacific Railway Ltd.	4,499,313	7,312,740				
80,000	Canam Manac Group Inc. Class A	704,530	740,800				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Growth Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
CANADIAN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Financials (cont'd)				Austria - 0.0%			
371,800	Sun Life Financial Services of Canada Inc.	14,740,382	18,337,176	2,500	OMV AG	129,758	164,565
485,000	Toronto-Dominion Bank	13,320,595	33,814,200	2,800	Voest Alpine AG	68,950	184,113
		<u>147,693,855</u>	<u>237,538,956</u>			<u>198,708</u>	<u>348,678</u>
Information Technology - 4.1%				Belgium - 0.1%			
500,000	Art Advanced Research Technologies Inc.	1,000,000	255,000	7,100	Fortis	285,725	351,642
225,000	Certicom Corporation	1,701,530	1,140,750	1,000	KBC Groep SA NV	98,067	142,587
50,960	Cognos Inc.	2,494,129	2,525,068			<u>383,792</u>	<u>494,229</u>
362,500	Commetix Inc.	316,887	467,625	Denmark - 0.0%			
550,000	Gemcom Software International Inc.	677,417	830,500	700	Carlsberg A/S Series B	54,468	80,809
100,000	Matrikon Inc.	441,487	337,000	Finland - 0.1%			
283,000	Nortel Networks Corporation	12,807,033	8,852,240	9,700	Nokia Oyj	219,312	229,796
116,300	Research in Motion Ltd.	12,034,114	17,322,405	6,700	Sampo Oyj Series A	126,286	208,187
3,000,000	SIRI Inc.	1,674,246	555,000			<u>345,598</u>	<u>437,983</u>
		<u>33,146,843</u>	<u>32,285,588</u>	France - 0.6%			
Telecommunication Services - 2.6%				500	Air France	24,590	24,511
300,000	BCE Inc.	8,859,018	9,420,000	7,234	BNP Paribas SA	678,373	915,293
210,000	Telus Corporation	7,590,623	11,239,200	5,140	Cappellini SA	242,979	374,509
		<u>16,449,641</u>	<u>20,659,200</u>	200	Compagnie Generale des Etablissements Michelin Class B	22,128	22,288
Utilities - 1.5%				5,870	Credit Agricole SA	182,049	286,545
162,200	Enbridge Inc.	3,576,429	6,531,794	1,631	Essilor International SA	179,823	203,779
200,000	TransAlta Corporation	4,035,815	5,328,000	3,600	France Telecom SA	82,704	115,485
		<u>7,612,244</u>	<u>11,859,794</u>	1,111	Groupe Danone	170,032	196,021
Income Trust Units - 2.7%				4,200	Renault SA	431,856	587,356
180,850	Canada Cartage Diversified Income Fund	1,871,189	1,645,735	3,527	Sanofi-Aventis SA	324,127	378,317
250,000	Canadian Oil Sands Trust	7,454,314	8,152,500	5,000	SES Global SA - FDR	91,602	103,440
135,000	Energy Savings Income Fund	2,226,407	1,815,750	1,785	Societe Generale	224,048	351,795
100,000	Penn West Energy Trust	4,427,213	3,557,000	8,792	Societe Television Francaise 1	321,433	379,822
140,000	Precision Drilling Trust	4,445,497	3,780,000	6,288	Total SA	396,160	528,169
50,000	Trinidad Energy Services Income Trust	742,006	690,000	3,185	Vinci SA	324,018	472,669
148,900	Yellow Pages Income Fund	2,229,117	1,916,343			<u>3,695,922</u>	<u>4,939,999</u>
		<u>23,395,743</u>	<u>21,557,328</u>	Germany - 0.4%			
TOTAL CANADIAN EQUITIES				300	Allianz AG Holdings	53,318	71,375
		<u>491,897,872</u>	<u>701,427,816</u>	3,300	BASF AG	355,914	374,129
FOREIGN EQUITIES - 10.6%				5,654	Bayer AG	312,225	353,336
United States - 4.9%				1,800	Continental AG	160,523	243,754
20,000	Abercrombie & Fitch Company Class A	1,644,073	1,622,661	1,500	DaimlerChrysler AG	80,896	108,191
45,000	Amdocs Ltd.	1,784,265	2,031,822	10,100	Deutsche Lufthansa AG	196,331	323,661
75,000	Amgen Inc.	6,148,836	5,969,623	6,400	Deutsche Telekom AG	129,336	136,144
22,500	Apple Computer Inc.	1,608,435	2,224,255	2,623	E.ON AG	261,103	414,534
65,000	AT&T Corporation	2,061,952	2,707,639	1,436	Merck KGAA	174,647	173,357
50,000	Bank of New York Company Inc.	1,956,278	2,293,701	2,700	Muenchener Rueckver AG	390,121	540,514
25,000	Caterpillar Inc.	1,753,127	1,786,547	4,775	RWE AG	476,133	612,751
137,000	Cisco Systems Inc.	3,154,212	4,362,762	4,500	TUI AG	105,058	104,718
35,000	Citrix Systems Inc.	1,146,097	1,103,155			<u>2,695,605</u>	<u>3,456,464</u>
9,600	Commercial Metals Company	235,177	288,597	Greece - 0.0%			
120,000	Dollar General Corporation	2,087,130	2,245,578	387	OPAP SA	17,242	17,418
15,000	Eli Lilly & Company	911,868	910,606	Hong Kong - 0.1%			
35,000	JPMorgan Chase & Company	1,656,051	1,969,775	25,500	Esprit Holdings Ltd.	250,885	329,884
20,000	Manpower Inc.	1,341,195	1,746,172	70,000	Li & Fung Ltd.	178,195	252,957
40,000	Norfolk Southern Corporation	2,247,038	2,343,921	120,407	Sino Land Co. Ltd.	206,845	325,723
36,000	Qualcomm Inc.	1,772,307	1,585,188			<u>635,925</u>	<u>908,564</u>
60,000	Wyeth	3,373,515	3,559,926	Ireland - 0.1%			
		<u>34,881,556</u>	<u>38,751,928</u>	23,489	Anglo Irish Bank Corporation PLC	489,712	565,104
Australia - 0.2%				6,375	C&C Group PLC	116,855	131,800
36,400	Macquarie Airports	120,020	120,450	6,229	CRH PLC	197,552	300,999
2,169	Macquarie Bank Ltd.	144,366	156,632			<u>804,119</u>	<u>997,903</u>
33,300	Macquarie Infrastructure Group	114,427	105,632				
6,300	National Australia Bank Ltd.	199,841	233,285				
21,808	QBE Insurance Group Ltd.	396,670	578,906				
12,200	Zinifex Ltd.	175,740	210,089				
		<u>1,151,064</u>	<u>1,404,994</u>				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Growth Fund (Continued)

COMMITMENTS - FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/ (Depreciation)
Mar. 15, 2007	Canadian Dollar	234,131	Hong Kong Dollar	1,586,000	237,719	(3,588)
Mar. 15, 2007	Canadian Dollar	2,518,713	Japanese Yen	251,972,000	2,483,380	35,333
Mar. 15, 2007	Canadian Dollar	500,097	Swiss Franc	516,000	495,074	5,023
Mar. 15, 2007	Canadian Dollar	181,473	Swiss Franc	191,000	183,254	(1,781)
Mar. 15, 2007	Japanese Yen	26,986,000	Canadian Dollar	265,741	265,968	227
					<u>3,665,395</u>	<u>35,214</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Canadian Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$787,734,013	\$731,568,695
Cash	921,845	647,799
Accrued investment income	1,043,011	1,290,415
Receivable for securities sold	1,920,464	420,017
Subscriptions receivable	398,686	1,412,355
Receivable from forward contracts	35,213	—
	<u>792,053,232</u>	<u>735,339,281</u>
LIABILITIES		
Payable for securities purchased	256,682	92,973
Redemptions payable	141,126	281,394
Accrued expenses	1,047,168	1,121,772
Payable for currency forward contracts	—	55,679
	<u>1,444,976</u>	<u>1,551,818</u>
Net assets	<u>\$790,608,256</u>	<u>\$733,787,463</u>
NET ASSETS PER CLASS		
Class A Units	\$608,934,657	\$610,602,975
Class F Units	\$ 47,058	\$ 32,840
Class I Units	<u>\$181,626,541</u>	<u>\$123,151,648</u>
UNITS OUTSTANDING		
Class A Units	8,971,003	10,064,001
Class F Units	686	541
Class I Units	<u>2,486,186</u>	<u>1,927,797</u>
NET ASSET VALUE PER UNIT		
Class A Units	\$ 67.88	\$ 60.67
Class F Units	\$ 68.63	\$ 60.72
Class I Units	<u>\$ 73.05</u>	<u>\$ 63.88</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 11,559,581	\$ 11,146,632
Interest	1,231,651	202,811
Securities lending	107,459	23,215
Foreign withholding taxes	(194,089)	(198,218)
	<u>12,704,602</u>	<u>11,174,440</u>
EXPENSES		
Management fees (note 4)	10,978,298	12,151,793
Audit fees	24,129	19,573
Directors'/trustee fees	2,755	2,642
Custodian fees	219,723	184,596
Filing fees	34,505	39,413
Legal fees	20,249	5,773
Unitholder reporting	177,523	246,923
Unitholder administration, service fees and GST	1,554,708	1,749,016
	<u>13,011,890</u>	<u>14,399,729</u>
Absorbed expenses	(10,546)	(129,004)
	<u>13,001,344</u>	<u>14,270,725</u>
Net investment income (loss)	(296,742)	(3,096,285)
Net realized gain (loss) on investments sold	100,268,618	69,733,481
Net realized gain (loss) on foreign exchange	11,785	(117,333)
Change in unrealized appreciation (depreciation) of investments	8,282,761	68,799,244
Change in unrealized appreciation (depreciation) of currency forward	90,893	(55,679)
Net gain (loss) on investments	<u>108,654,057</u>	<u>138,359,713</u>
Increase (decrease) in net assets from operations	<u>\$108,357,315</u>	<u>\$135,263,428</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 82,765,987	\$119,953,422
Class F Units	\$ 6,007	\$ 4,816
Class I Units	<u>\$ 25,585,321</u>	<u>\$ 15,305,190</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 8.91	\$ 9.99
Class F Units	\$ 12.42	\$ 10.07
Class I Units	<u>\$ 11.13</u>	<u>\$ 12.72</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$ 610,602,975	\$ 665,949,040
Class F Units	32,840	24,365
Class I Units	123,151,648	42,127,027
	<u>733,787,463</u>	<u>708,100,432</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	82,765,987	119,953,422
Class F Units	6,007	4,816
Class I Units	25,585,321	15,305,190
	<u>108,357,315</u>	<u>135,263,428</u>
DISTRIBUTIONS TO UNITHOLDERS		
From realized gain		
Class A Units	(15,288,658)	—
Class F Units	(1,179)	—
Class I Units	(4,533,848)	—
	<u>(19,823,685)</u>	<u>—</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	38,209,211	48,607,123
Class F Units	16,083	31,173
Class I Units	44,696,328	69,746,486
Reinvested distributions		
Class A Units	15,230,283	—
Class F Units	1,179	—
Class I Units	4,533,848	—
Payments on redemption		
Class A Units	(122,585,141)	(223,906,610)
Class F Units	(7,872)	(27,514)
Class I Units	(11,806,756)	(4,027,055)
	<u>(31,712,837)</u>	<u>(109,576,397)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(1,668,318)	(55,346,065)
Class F Units	14,218	8,475
Class I Units	58,474,893	81,024,621
	<u>56,820,793</u>	<u>25,687,031</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	608,934,657	610,602,975
Class F Units	47,058	32,840
Class I Units	181,626,541	123,151,648
	<u>\$ 790,608,256</u>	<u>\$ 733,787,463</u>

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Equity Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 93.7%				EQUITIES (cont'd)			
Energy – 17.3%				Financials (cont'd)			
22,040	Canadian Natural Resources Ltd.	1,357,363	1,369,786	20,000	S&P/TSX 60 Index Participation Fund	1,324,800	1,490,000
42,714	EnCana Corporation	2,433,621	2,292,033	41,900	Sun Life Financial Services of Canada Inc.	1,931,067	2,066,508
16,760	Ensign Resource Service Group Inc.	379,611	308,216	55,140	Toronto-Dominion Bank	3,403,610	3,844,361
8,220	Husky Energy Inc.	549,036	641,489			<u>23,314,047</u>	<u>26,675,075</u>
21,440	Imperial Oil Ltd.	872,412	920,419				
21,765	Nexen Inc.	1,326,426	1,397,313	Information Technology – 2.7%			
35,650	Petro-Canada	1,848,577	1,702,288	31,290	CGI Group Inc. Class A	255,166	254,388
8,580	Shell Canada Ltd.	319,575	373,316	7,240	Cognos Inc.	283,537	358,742
25,360	Suncor Energy Inc.	2,220,010	2,327,794	21,170	Nortel Networks Corporation	671,356	662,198
70,820	Talisman Energy Inc.	1,457,445	1,402,236	5,350	Research in Motion Ltd.	432,898	797,150
7,140	Trican Well Service Ltd.	180,669	145,085			<u>1,642,957</u>	<u>2,072,478</u>
9,890	Western Oil Sands Inc. Class A	320,556	323,502	Telecommunication Services – 4.0%			
		<u>13,265,301</u>	<u>13,203,477</u>	48,146	BCE Inc.	1,352,362	1,511,784
Materials – 11.7%				3,587	Bell Aliant Regional Communications	124,443	96,706
6,880	Agnico-Eagle Mines Ltd.	310,364	330,859	5,180	Manitoba Telecom Services Inc.	244,459	240,352
29,000	Alcan Inc.	1,549,002	1,646,620	21,960	Telus Corporation	1,052,540	1,175,299
54,346	Barrick Gold Corporation	1,835,751	1,948,304			<u>2,773,804</u>	<u>3,024,141</u>
17,660	Cameco Corporation	749,640	833,552	Utilities – 3.5%			
47,219	Goldcorp Inc.	1,406,704	1,563,421	26,670	Enbridge Inc.	918,655	1,074,001
31,190	Kinross Gold Corporation	406,162	431,046	36,090	TransAlta Corporation	858,500	961,438
2,930	Potash Corporation of Saskatchewan Inc.	316,873	489,310	16,320	TransCanada Corporation	556,487	662,755
19,260	Teck Cominco Ltd. Class B	1,350,231	1,692,954			<u>2,333,642</u>	<u>2,698,194</u>
		<u>7,924,727</u>	<u>8,936,066</u>	Income Trust Units – 2.6%			
Industrials – 6.6%				24,920	Canadian Oil Sands Trust	743,288	812,641
43,390	Bombardier Inc. Class B	167,321	171,391	11,920	Penn West Energy Trust	492,786	423,994
54,810	CAE Inc.	509,201	589,208	14,630	Precision Drilling Trust	541,147	395,010
45,210	Canadian National Railway Company	2,235,808	2,263,665	26,660	Yellow Pages Income Fund	421,592	343,114
10,730	Canadian Pacific Railway Ltd.	616,517	658,822			<u>2,198,813</u>	<u>1,974,759</u>
12,060	Finning International Inc.	480,857	576,347	TOTAL EQUITIES			
6,280	Macdonald Dettwiler & Associates Ltd.	274,757	268,784	64,902,698			71,468,808
15,940	SNC-Lavalin Group Inc.	478,524	501,632	SHORT-TERM NOTES – 5.8%			
		<u>4,762,985</u>	<u>5,029,849</u>	4,445,000	Government of Canada Treasury Bills		
Consumer Discretionary – 6.0%					4.15% to 4.17% due from		
15,850	Alliance Atlantis Communications Class B	547,146	800,108		Jan. 11, 2007 to Apr. 5, 2007	4,398,664	4,421,357
17,220	Astral Media Inc. Class A	614,713	687,595	TOTAL INVESTMENT PORTFOLIO			
5,502	Canadian Tire Corporation Ltd. Class A	356,790	389,982	69,301,362			75,890,165
51,000	Rogers Communications Inc. Class B	1,255,340	1,769,700	OTHER ASSETS, LESS LIABILITIES – 0.5%			
16,010	Thomson Corporation	710,321	774,564				361,700
4,790	Tim Hortons Inc.	162,703	161,375	TOTAL NET ASSETS – 100.0%			
		<u>3,647,013</u>	<u>4,583,324</u>				<u>76,251,865</u>
Consumer Staples – 3.9%							
18,760	Alimentation Couche-Tard Inc. Class B	458,524	475,566				
27,572	Jean Coutu Group Inc. Class A	331,276	379,115				
4,210	Loblaw Companies Ltd.	241,268	205,406				
7,004	Metro Inc. Class A	228,237	265,732				
18,820	Saputo Inc.	654,739	695,587				
19,270	Shoppers Drug Mart Corporation	837,619	965,234				
		<u>2,751,663</u>	<u>2,986,640</u>				
Health Care – 0.4%							
13,390	MDS Inc.	287,746	284,805				
Financials – 35.0%							
27,890	Bank of Montreal	1,754,139	1,924,410				
23,460	Bank of Nova Scotia, The	1,068,055	1,222,266				
26,590	Brookfield Asset Management Inc. Class A	1,166,743	1,498,612				
25,990	Canadian Imperial Bank of Commerce	2,091,900	2,554,817				
35,530	Great-West Lifeco Inc.	1,038,910	1,200,914				
99,740	Manulife Financial Corporation	3,532,627	3,924,769				
13,420	National Bank of Canada	825,029	883,573				
53,450	Power Corporation of Canada	1,689,060	1,886,251				
75,290	Royal Bank of Canada	3,488,107	4,178,594				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Equity Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$75,890,165	\$14,773,539
Cash	118,121	76,547
Accrued investment income	120,164	30,780
Subscriptions receivable	169,364	—
	<u>76,297,814</u>	<u>14,880,866</u>
LIABILITIES		
Redemptions payable	31,898	—
Accrued expenses	14,051	5,168
	<u>45,949</u>	<u>5,168</u>
Net assets	<u>\$76,251,865</u>	<u>\$14,875,698</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$76,251,865</u>	<u>\$14,875,698</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>6,490,710</u>	<u>1,465,661</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 11.75</u>	<u>\$ 10.15</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends	\$ 883,992	\$ 60,897
Interest	215,523	8,626
Securities lending	843	3
	<u>1,100,358</u>	<u>69,526</u>
EXPENSES		
Management fees (note 4)	50,341	3,043
Audit fees	15,317	9,315
Custodian fees	14,670	2,346
Filing fees	13,598	2,250
Legal fees	3,162	149
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	39,817	8,269
	<u>146,997</u>	<u>27,515</u>
Absorbed expenses	<u>(1,697)</u>	<u>(17,832)</u>
	<u>145,300</u>	<u>9,683</u>
Net investment income (loss)	<u>955,058</u>	<u>59,843</u>
Net realized gain (loss) on investments sold	930,380	(49,537)
Change in unrealized appreciation (depreciation) of investments	6,263,259	302,849
Net gain (loss) on investments	<u>7,193,639</u>	<u>253,312</u>
Increase (decrease) in net assets from operations	<u>\$8,148,697</u>	<u>\$313,155</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$8,148,697</u>	<u>\$313,155</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 1.75</u>	<u>\$ 0.24</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS — BEGINNING OF PERIOD		
Scotia Private Client Units	\$ 14,875,698	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>8,148,697</u>	<u>313,155</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	(769,582)	(19,170)
From realized gain		
Scotia Private Client Units	<u>(62,136)</u>	<u>(3,951)</u>
	<u>(831,718)</u>	<u>(23,121)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	67,089,058	14,711,835
Reinvested distributions		
Scotia Private Client Units	830,544	23,121
Payments on redemption		
Scotia Private Client Units	<u>(13,860,414)</u>	<u>(149,292)</u>
	<u>54,059,188</u>	<u>14,585,664</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>61,376,167</u>	<u>14,875,698</u>
TOTAL NET ASSETS — END OF PERIOD		
Scotia Private Client Units	<u>\$ 76,251,865</u>	<u>\$14,875,698</u>

*For the period since inception to December 31, 2005

Scotia Canadian Small Cap Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 94.4%				CANADIAN EQUITIES (cont'd)			
CANADIAN EQUITIES – 89.0%				Health Care (cont'd)			
Energy – 17.5%				542,600 Ondine Biopharma Corporation 1,121,918 775,918			
425,000	Bow Valley Energy Ltd.	2,544,238	2,860,250	850,000	Tm Bioscience Corporation	1,333,433	714,000
90,000	Calfrac Well Services Ltd.	2,314,869	1,989,000	413,000	World Heart Corporation Warrants Sep. 22, 2008	–	–
250,000	Cyries Energy Inc.	3,070,652	3,165,000	250,000	YM BioSciences Inc.	704,396	827,500
505,000	HSE Integrated Ltd.	960,150	883,750			<u>16,240,515</u>	<u>11,912,868</u>
220,000	HSE Integrated Ltd. Warrants Jun. 23, 2007	–	–				
286,900	Innova Exploration Ltd.	1,614,882	1,861,981	Financials – 9.3%			
550,000	Leader Energy Services Ltd.	2,802,974	907,500	140,000	Equitable Group Inc.	3,435,320	4,368,000
145,000	Major Drilling Group International Inc.	1,399,826	3,781,600	131,100	Home Capital Group Inc.	2,780,240	4,463,955
140,000	Petrobank Energy & Resources Ltd.	2,077,627	2,480,800	60,000	Hub International Ltd.	1,539,682	2,206,800
235,000	Proex Energy Ltd.	3,449,004	3,019,750	750,000	Killam Properties Inc.	1,171,063	1,897,500
140,000	Savanna Energy Services Corporation	965,064	2,651,600	375,000	Rentcash Inc.	2,413,382	2,958,750
1,098,600	Terra Energy Corporation	1,426,040	1,318,320			<u>11,339,687</u>	<u>15,895,005</u>
500,000	Terra Energy Corporation Warrants Jan. 26, 2007	–	–	Information Technology – 10.1%			
600,000	Tusk Energy Corporation	1,516,395	1,890,000	150,000	Aastra Technologies Ltd.	2,003,706	5,384,994
575,000	West Energy Ltd.	3,667,223	3,116,500	625,000	Art Advanced Research Technologies Inc.	781,250	318,750
		<u>27,808,944</u>	<u>29,926,051</u>	150,000	Corel Corporation	2,195,904	2,362,500
Materials – 15.8%				170,000	Dalsa Corporation	3,102,225	2,176,000
600,000	Crystallex International Corporation	2,223,022	2,538,000	367,700	Fun Technologies Inc.	1,433,415	1,058,976
1,000,000	Dynatec Corporation	1,383,545	2,130,000	750,000	Intrinsyc Software Inc.	661,651	450,000
2,000,000	European Minerals Corporation	2,412,419	1,780,000	250,000	Intrinsyc Software International Inc. Warrants Mar. 30, 2010	–	–
475,000	Gabriel Resources Ltd.	1,634,613	2,403,500	575,000	Matrikon Inc.	2,026,571	1,937,750
700,000	Golden Star Resources Ltd.	3,369,979	2,387,000	150,000	Sierra Wireless Inc.	2,321,719	2,460,000
140,000	Hudbay Minerals Inc.	845,914	3,057,600	125,000	Tundra Semiconductor Corporation	1,857,870	1,193,750
50,000	Inmet Mining Corporation	536,378	3,120,500			<u>16,384,311</u>	<u>17,342,720</u>
1,350,000	Ivernia Inc.	2,114,649	1,984,500	Income Trust Units – 9.8%			
125,000	Osisko Exploration Ltd.	871,241	1,383,750	250,000	Canada Cartage Diversified Income Fund	2,601,328	2,275,000
290,000	Quadra Mining Ltd.	2,776,529	2,972,500	325,000	Eveready Income Fund Trust	1,688,225	2,063,750
700,000	Rio Narcea Gold Mines Ltd.	1,485,798	2,009,000	375,000	Keystone North America Inc. IPS	3,308,870	2,880,000
1,000,000	Tahera Diamond Corporation	2,487,070	1,200,000	350,000	New Flyer Industries Inc. IDS	2,975,083	3,213,000
		<u>22,141,157</u>	<u>26,966,350</u>	35,000	Newalta Income Fund	858,840	985,250
Industrials – 13.5%				325,000	Somerset Entertainment Income Fund	2,186,383	757,250
450,000	Allen-Vanguard Corporation	1,488,494	1,597,500	175,000	Total Energy Services Trust	211,282	2,089,500
86,800	Allen-Vanguard Corporation Warrants Mar. 15, 2007	–	134,540	250,000	Vicwest Income Fund	2,977,000	2,545,000
295,000	Azure Dynamics Corporation	250,750	233,050			<u>16,807,011</u>	<u>16,808,750</u>
550,000	Canam Manac Group Inc. Class A	3,162,825	5,093,000	TOTAL CANADIAN EQUITIES			
475,000	CPI Plastics Group Ltd.	2,945,504	674,500	139,047,036		152,325,994	
250,000	Martinrea International Inc.	1,514,631	2,975,000	FOREIGN EQUITIES – 5.4%			
465,000	MTI Global Inc.	1,076,940	651,000	United States – 2.2%			
850,000	Neo Material Technologies Inc.	1,700,000	2,201,500	40,000	Century Aluminum Company	1,300,051	2,081,051
500,000	Neo Material Technologies Inc. Warrants Aug. 31, 2008	–	385,000	100,000	CV Therapeutics Inc.	2,392,621	1,626,623
250,000	Pure Technologies Ltd.	547,933	325,000			<u>3,692,672</u>	<u>3,707,674</u>
302,200	QuestAir Technologies Inc.	407,970	392,860	Ireland – 1.7%			
70,000	Richelieu Hardware Ltd.	1,192,800	1,696,800	2,500,000	Kenmare Resources PLC	999,674	2,510,584
500,000	Torr Canada Inc.	597,535	400,000	687,500	Kenmare Resources PLC Warrants Jul. 23, 2009	–	392,265
125,000	Transat A.T. Inc. Class B	1,878,298	3,973,750			<u>999,674</u>	<u>2,902,849</u>
325,000	Westaim Corporation	1,131,958	585,000	United Kingdom – 1.5%			
125,000	Westjet Airlines Ltd.	1,342,301	1,866,250	2,400,000	European Nickel PLC	1,752,656	2,517,313
		<u>19,237,939</u>	<u>23,184,750</u>			<u>6,445,002</u>	<u>9,127,836</u>
Consumer Discretionary – 3.1%				TOTAL FOREIGN EQUITIES			
200,000	IMAX Corporation	1,968,156	870,000	TOTAL EQUITIES			
75,200	Le Chateau Inc.	3,431,097	4,512,000	145,492,038		161,453,830	
		<u>5,399,253</u>	<u>5,382,000</u>	SHORT-TERM NOTES – 5.6%			
Consumer Staples – 2.9%				9,605,000	Government of Canada Treasury Bills 4.08% to 4.18% due from Jan. 25, 2007 to Apr. 5, 2007	9,508,971	9,531,690
325,000	Atrium Biotechnologies Inc.	3,688,219	4,907,500			<u>155,001,009</u>	<u>170,985,520</u>
Health Care – 7.0%				TOTAL INVESTMENT PORTFOLIO			
1,180,100	6550568 Canada Inc.	–	–	OTHER ASSETS, LESS LIABILITIES – 0.0%			
165,000	Angiotech Pharmaceuticals Inc.	2,090,903	1,582,350	TOTAL NET ASSETS – 100.0%			
577,400	Bioniche Life Sciences Inc.	1,855,645	866,100			<u>171,038,883</u>	
1,500,000	Conjuchem Biotechnologies Inc.	2,558,670	1,065,000				
300,000	Draxis Health Inc.	1,567,332	1,686,000				
750,000	Isotechnika Inc.	2,022,260	1,245,000				
250,000	Labopharm Inc.	1,138,992	1,705,000				
1,200,000	Medical Ventures Corporation	687,680	276,000				
600,000	Medicure Inc.	799,286	846,000				
600,000	Migenix Inc.	360,000	324,000				
300,000	Migenix Inc. Warrants Dec. 6, 2011	–	–				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Small Cap Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$170,985,520	\$182,845,957
Cash	110,306	106,025
Accrued investment income	23,394	175,339
Receivable for securities sold	—	938,911
Subscriptions receivable	124,966	521,906
	<u>171,244,186</u>	<u>184,588,138</u>
LIABILITIES		
Payable for securities purchased	10,619	—
Redemptions payable	16,220	35,767
Accrued expenses	178,464	224,795
	<u>205,303</u>	<u>260,562</u>
Net assets	<u>\$171,038,883</u>	<u>\$184,327,576</u>
NET ASSETS PER CLASS		
Class A Units	\$ 87,299,355	\$ 100,872,037
Class I Units	\$ 53,471,596	\$ 33,332,363
Scotia Private Client Units	\$ 30,267,932	\$ 50,123,176
UNITS OUTSTANDING		
Class A Units	3,685,471	3,871,118
Class I Units	2,081,212	1,208,800
Scotia Private Client Units	1,180,653	1,819,152
NET ASSET VALUE PER UNIT		
Class A Units	\$ 23.69	\$ 26.06
Class I Units	\$ 25.69	\$ 27.57
Scotia Private Client Units	\$ 25.64	\$ 27.55

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 1,856,020	\$ 1,755,587
Interest	478,795	514,411
Securities lending	189,177	37,178
	<u>2,523,992</u>	<u>2,307,176</u>
EXPENSES		
Management fees (note 4)	1,940,226	3,122,963
Audit fees	19,428	15,559
Directors'/trustee fees	2,755	2,642
Custodian fees	20,448	22,343
Filing fees	30,436	30,601
Legal fees	7,325	1,109
Unitholder reporting	49,413	111,570
Unitholder administration, service fees and GST	456,215	673,170
	<u>2,526,246</u>	<u>3,979,957</u>
Absorbed expenses	(70,469)	(88,142)
	<u>2,455,777</u>	<u>3,891,815</u>
Net investment income (loss)	68,215	(1,584,639)
Net realized gain (loss) on investments sold	37,851,776	60,115,601
Net realized gain (loss) on foreign exchange	(47,320)	(45,715)
Change in unrealized appreciation (depreciation) of investments	(17,386,303)	(17,160,855)
Net gain (loss) on investments	20,418,153	42,909,031
Increase (decrease) in net assets from operations	<u>\$ 20,486,368</u>	<u>\$ 41,324,392</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 9,965,030	\$ 27,264,059
Class I Units	\$ 5,368,027	\$ 4,215,883
Scotia Private Client Units	\$ 5,153,311	\$ 9,844,450
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 2.98	\$ 4.20
Class I Units	\$ 3.67	\$ 7.79
Scotia Private Client Units	\$ 3.16	\$ 5.52

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$100,872,037	\$ 173,600,807
Class I Units	33,332,363	7,196,471
Scotia Private Client Units	50,123,176	47,023,782
	<u>184,327,576</u>	<u>227,821,060</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	9,965,030	27,264,059
Class I Units	5,368,027	4,215,883
Scotia Private Client Units	5,153,311	9,844,450
	<u>20,486,368</u>	<u>41,324,392</u>
DISTRIBUTIONS TO UNITHOLDERS		
From realized gain		
Class A Units	(15,317,653)	(5,828,179)
Class I Units	(9,319,905)	(1,800,159)
Scotia Private Client Units	(5,293,134)	(2,763,043)
	<u>(29,930,692)</u>	<u>(10,391,381)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	13,771,832	15,634,696
Class I Units	22,375,796	22,607,486
Scotia Private Client Units	11,249,963	11,172,410
Reinvested distributions		
Class A Units	15,253,592	5,817,401
Class I Units	9,319,854	1,800,159
Scotia Private Client Units	5,294,349	2,763,043
Payments on redemption		
Class A Units	(37,245,483)	(115,616,747)
Class I Units	(7,604,539)	(687,477)
Scotia Private Client Units	(36,259,733)	(17,917,466)
	<u>(3,844,369)</u>	<u>(74,426,495)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(13,572,682)	(72,728,770)
Class I Units	20,139,233	26,135,892
Scotia Private Client Units	(19,855,244)	3,099,394
	<u>(13,288,693)</u>	<u>(43,493,484)</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	87,299,355	100,872,037
Class I Units	53,471,596	33,332,363
Scotia Private Client Units	30,267,932	50,123,176
	<u>\$171,038,883</u>	<u>\$ 184,327,576</u>

Scotia Resource Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$ 119,470,360	\$ 90,522,429
Cash	131,917	182,097
Accrued investment income	47,475	152,008
Subscriptions receivable	44,934	37,588
	<u>119,694,686</u>	<u>90,894,122</u>
LIABILITIES		
Redemptions payable	51,923	31,204
Accrued expenses	225,295	171,339
	<u>277,218</u>	<u>202,543</u>
Net assets	<u>\$ 119,417,468</u>	<u>\$ 90,691,579</u>
NET ASSETS PER CLASS		
Class A Units	\$ 119,391,777	\$ 90,647,577
Class F Units	\$ 25,691	\$ 44,002
UNITS OUTSTANDING		
Class A Units	5,617,865	5,349,129
Class F Units	1,181	2,561
NET ASSET VALUE PER UNIT		
Class A Units	\$ 21.25	\$ 16.95
Class F Units	\$ 21.76	\$ 17.18

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 769,136	\$ 720,204
Interest	652,751	137,911
Securities lending	95,814	27,159
Foreign withholding taxes	(19,507)	(10,454)
	<u>1,498,194</u>	<u>874,820</u>
EXPENSES		
Management fees (note 4)	2,239,974	1,418,891
Audit fees	19,604	13,775
Directors'/trustee fees	2,755	2,642
Custodian fees	12,011	8,598
Filing fees	17,544	16,926
Legal fees	4,433	1,110
Unitholder reporting	39,079	29,287
Unitholder administration, service fees and GST	315,276	230,661
	<u>2,650,676</u>	<u>1,721,890</u>
Absorbed expenses	(3,200)	(10,545)
	<u>2,647,476</u>	<u>1,711,345</u>
Net investment income (loss)	<u>(1,149,282)</u>	<u>(836,525)</u>
Net realized gain (loss) on investments sold	20,623,444	9,596,915
Net realized gain (loss) on foreign exchange	(39,670)	(51,296)
Change in unrealized appreciation (depreciation) of investments	4,158,309	16,109,021
Net gain (loss) on investments	<u>24,742,083</u>	<u>25,654,640</u>
Increase (decrease) in net assets from operations	<u>\$ 23,592,801</u>	<u>\$ 24,818,115</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 23,583,577	\$ 24,805,211
Class F Units	\$ 9,224	\$ 12,904
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 4.05	\$ 4.79
Class F Units	\$ 5.48	\$ 5.04

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	\$ 90,647,577	\$ 57,295,115
Class F Units	44,002	31,098
	<u>90,691,579</u>	<u>57,326,213</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	23,583,577	24,805,211
Class F Units	9,224	12,904
	<u>23,592,801</u>	<u>24,818,115</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	44,350,663	29,545,822
Class F Units	2,865	-
Payments on redemption		
Class A Units	(39,190,040)	(20,998,571)
Class F Units	(30,400)	-
	<u>5,133,088</u>	<u>8,547,251</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	28,744,200	33,352,462
Class F Units	(18,311)	12,904
	<u>28,725,889</u>	<u>33,365,366</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	119,391,777	90,647,577
Class F Units	25,691	44,002
	<u>\$ 119,417,468</u>	<u>\$ 90,691,579</u>

Scotia Cassels North American Equity Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares/ Number of Contracts Issuer				Average Cost (\$)	Market Value (\$)	Number of Shares/ Face Value (\$) Issuer				Average Cost (\$)	Market Value (\$)
EQUITIES – 98.6%						EQUITIES (cont'd)					
CANADIAN EQUITIES – 74.1%						FOREIGN EQUITIES (cont'd)					
Energy – 12.8%						United States (cont'd)					
207,000	Canadian Natural Resources Ltd.			12,108,940	12,865,050	50,000	Praxair Inc.			2,956,559	3,456,573
128,000	EnCana Corporation			6,833,770	6,868,480	54,000	UnitedHealth Group Inc.			3,069,002	3,380,742
(600)	EnCana Corporation Written Call Options \$55.00 Jan. 19, 2007			(74,131)	(1,748)	172,000	Wells Fargo & Company			6,171,502	7,126,751
334,000	Petro-Canada			14,764,179	15,948,500					<u>73,811,052</u>	<u>80,354,346</u>
314,000	Talisman Energy Inc.			6,305,380	6,217,200					<u>281,777,410</u>	<u>322,908,347</u>
				<u>39,938,138</u>	<u>41,897,482</u>						
Materials – 7.3%						TOTAL EQUITIES					
59,000	Alcan Inc.			3,029,375	3,350,020						
180,000	Cameco Corporation			5,401,028	8,496,000						
245,000	Goldcorp Inc.			7,611,355	8,111,950						
46,000	Teck Cominco Ltd. Class B			3,075,835	4,043,400						
				<u>19,117,593</u>	<u>24,001,370</u>						
Industrials – 3.7%						SHORT-TERM NOTES – 1.3%					
241,000	Canadian National Railway Company			10,368,930	12,066,870	2,600,000	Government of Canada Treasury Bills 4.08% to 5.10% due from Jan. 11, 2007 to Apr. 5, 2007			2,597,251	2,598,976
Consumer Staples – 2.6%						125,000 (US) Business Development Bank Commercial Paper 5.18% due Mar. 16, 2007					
127,000	Metro Inc. Class A			4,238,411	4,818,380					142,519	144,077
95,000	Saputo Inc.			3,283,778	3,511,200	1,180,000 (US) Canadian Wheat Board Commercial Paper 5.12% to 5.20% due from Jan. 30, 2007 to Mar. 5, 2007				<u>1,355,158</u>	<u>1,363,114</u>
				<u>7,522,189</u>	<u>8,329,580</u>					<u>4,094,928</u>	<u>4,106,167</u>
Financials – 35.4%						TOTAL SHORT-TERM NOTES					
275,000	Bank of Montreal			16,593,767	18,975,000					<u>285,872,338</u>	<u>327,014,514</u>
563,000	Manulife Financial Corporation			17,636,703	22,154,050						
466,000	Power Financial Corporation			15,599,438	17,563,540						
(1,000)	Power Financial Corporation Written Call Options \$40.00 Apr. 21, 2007			(65,000)	(55,000)						
464,200	Royal Bank of Canada			18,367,656	25,763,100						
150,000	Sun Life Financial Services of Canada Inc.			6,601,795	7,398,000						
347,200	Toronto-Dominion Bank			19,719,023	24,206,784						
				<u>94,453,382</u>	<u>116,005,474</u>						
Information Technology – 1.0%						OTHER ASSETS, LESS LIABILITIES – 0.1%					
22,000	Research in Motion Ltd.			3,213,283	3,278,000						300,929
Telecommunication Services – 2.9%						TOTAL INVESTMENT PORTFOLIO					
178,000	Telus Corporation			10,396,819	9,526,560					<u>285,872,338</u>	<u>327,014,514</u>
Utilities – 5.6%						TOTAL NET ASSETS – 100.0%					
169,000	Emera Inc.			3,198,280	3,819,400					<u>327,315,443</u>	
(1,690)	Emera Inc. Written Call Options \$20.00 Jan. 19, 2007			(400,530)	(443,625)						
151,000	Enbridge Inc.			5,236,304	6,080,770						
217,000	TransCanada Corporation			7,161,890	8,812,370						
				<u>15,195,944</u>	<u>18,268,915</u>						
Income Trust Units – 2.8%											
365,000	RioCan Real Estate Investment Trust			7,760,080	9,179,750						
TOTAL CANADIAN EQUITIES											
				<u>207,966,358</u>	<u>242,554,001</u>						
FOREIGN EQUITIES – 24.5%											
United States – 24.5%											
74,000	Amgen Inc.			6,084,812	5,890,028						
45,000	Caterpillar Inc.			3,158,245	3,215,784						
139,000	Citigroup Inc.			7,573,429	9,021,347						
93,000	Citrix Systems Inc.			3,207,200	2,931,241						
76,000	ConocoPhillips			5,723,452	6,371,560						
110,000	Constellation Brands Inc. Class A			3,159,804	3,719,559						
125,000	CVS Corporation			4,190,474	4,502,051						
65,930	Dominion Resources Inc.			6,197,077	6,440,739						
75,000	Home Depot Inc.			3,115,442	3,509,590						
139,200	Johnson & Johnson			10,084,422	10,708,191						
97,000	Microsoft Corporation			3,040,879	3,374,916						
92,000	PepsiCo Inc.			6,078,753	6,705,274						

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels North American Equity Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$327,014,514	\$341,958,359
Cash	127,180	102,484
Accrued investment income	219,011	691,162
	<u>327,360,705</u>	<u>342,752,005</u>
LIABILITIES		
Accrued expenses	45,262	44,504
Net assets	<u>\$327,315,443</u>	<u>\$342,707,501</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$327,315,443</u>	<u>\$342,707,501</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>28,696,662</u>	<u>33,015,744</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 11.41</u>	<u>\$ 10.38</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends	\$ 5,680,269	\$ 2,263,497
Interest	1,323,564	293,240
Securities lending	33,498	16,302
Foreign withholding taxes	(214,628)	(70,397)
	<u>6,822,703</u>	<u>2,502,642</u>
EXPENSES		
Management fees (note 4)	331,667	111,850
Audit fees	19,636	15,057
Custodian fees	28,853	11,538
Filing fees	13,734	2,265
Legal fees	4,199	448
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	59,577	18,079
	<u>467,758</u>	<u>161,380</u>
Absorbed expenses	<u>(11,676)</u>	<u>(11,157)</u>
	<u>456,082</u>	<u>150,223</u>
Net investment income (loss)	<u>6,366,621</u>	<u>2,352,419</u>
Net realized gain (loss) on investments sold	5,955,289	(5,560,461)
Net realized gain (loss) on foreign exchange	81,974	(69,330)
Capital gains distributions received from investments	166,340	23,183
Change in unrealized appreciation (depreciation) of investments	24,637,521	16,502,052
Net gain (loss) on investments	<u>30,841,124</u>	<u>10,895,444</u>
Increase (decrease) in net assets from operations	<u>\$37,207,745</u>	<u>\$13,247,863</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$37,207,745</u>	<u>\$13,247,863</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 1.21</u>	<u>\$ 0.43</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	\$ 342,707,501	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>37,207,745</u>	<u>13,247,863</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	<u>(6,663,171)</u>	<u>(1,491,712)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	124,040,690	354,760,916
Reinvested distributions		
Scotia Private Client Units	6,622,526	1,486,117
Payments on redemption		
Scotia Private Client Units	<u>(176,599,848)</u>	<u>(25,295,683)</u>
	<u>(45,936,632)</u>	<u>330,951,350</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>(15,392,058)</u>	<u>342,707,501</u>
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	<u>\$ 327,315,443</u>	<u>\$342,707,501</u>

*For the period since inception to December 31, 2005

Scotia American Stock Index Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Consumer Discretionary (cont'd)				Consumer Discretionary (cont'd)			
2,213	Carnival Corporation	127,205	126,480	398	V.F. Corporation	19,988	38,065
3,559	CBS Corporation Class B	188,513	129,302	3,759	Viacom Inc. Class B	316,062	179,711
548	Centex Corporation	11,945	35,930	10,694	Walt Disney Company	457,797	427,027
290	Circuit City Stores Inc.	12,979	6,414	490	Wendy's International Inc.	7,728	18,893
2,041	Clear Channel Communications Inc.	199,916	84,520	317	Whirlpool Corporation	27,865	30,665
1,800	Coach Inc.	49,941	90,103	996	Wyndham Worldwide Corporation	58,195	37,161
10,690	Comcast Corporation Class A	443,644	527,263	1,318	Yum! Brands Inc.	38,982	90,301
934	Darden Restaurants Inc.	15,431	43,717				
50	Dillard's Inc. Class A	1,662	2,037			8,521,312	7,649,840
3,700	Directv Group Inc.	96,105	107,523	Consumer Staples - 9.2%			
669	Dollar General Corporation	19,703	12,519	10,452	Altria Group Inc.	552,853	1,045,176
144	Dow Jones & Company Inc.	11,239	6,376	3,836	Anheuser-Busch Companies Inc.	199,824	219,910
400	E.W. Scripps Company Class A	22,077	23,276	3,151	Archer-Daniels-Midland Inc.	62,811	117,343
1,710	Eastman Kodak Company	162,646	51,406	2,114	Avon Products Inc.	59,350	81,385
551	Family Dollar Stores Inc.	23,908	18,831	310	Brown-Forman Corporation Class B	13,659	23,927
2,394	Federated Department Stores Inc.	72,079	106,363	1,153	Campbell Soup Company	61,811	52,248
8,782	Ford Motor Company	335,258	76,848	670	Clorox Company	43,327	50,081
675	Fortune Brands Inc.	34,260	67,160	10,015	Coca-Cola Company	845,876	563,053
1,244	Gannett Company Inc.	116,701	87,637	1,068	Coca-Cola Enterprises Inc.	41,671	25,411
2,457	GAP Inc.	123,038	55,827	2,598	Colgate-Palmolive Company	187,682	197,494
2,768	General Motors Corporation	263,962	99,081	2,457	ConAgra Foods Inc.	86,411	77,298
1,082	Genuine Parts Company	43,316	59,797	900	Constellation Brands Inc. Class A	32,969	30,433
1,333	Goodyear Tire & Rubber Company	77,294	32,602	2,319	Costco Wholesale Corporation	129,703	142,860
1,296	H&R Block Inc.	20,201	34,793	4,258	CVS Corporation	126,902	153,358
1,406	Harley-Davidson Inc.	84,381	115,449	700	Dean Foods Company	31,719	34,485
916	Harrah's Entertainment Inc.	30,547	88,289	600	Estee Lauder Companies Inc. Class A	24,180	28,538
1,241	Hasbro Inc.	37,562	39,404	1,954	General Mills Inc.	120,960	131,144
1,577	Hilton Hotels Corporation	26,116	64,130	1,458	H.J. Heinz Company	89,772	76,466
10,541	Home Depot Inc.	653,117	493,261	860	Hershey Company/The	32,386	49,903
1,840	International Game Technology Inc.	40,095	99,052	1,115	Kellogg Company	50,271	65,038
3,129	Interpublic Group of Companies Inc.	162,456	44,626	2,328	Kimberly Clark Corporation	197,577	184,321
1,025	J.C. Penney Company Inc.	46,577	92,394	3,492	Kroger Company	117,244	93,869
962	Johnson Controls Inc.	40,687	96,310	1,000	McCormick & Company Inc.	38,131	44,930
316	Jones Apparel Group Inc.	16,287	12,309	257	Molson Coors Brewing Company Class B	19,907	22,890
242	KB Home	19,832	14,460	900	Pepsi Bottling Group Inc.	32,195	32,415
1,701	Kohl's Corporation	115,505	135,629	8,093	PepsiCo Inc.	436,242	589,845
677	Leggett & Platt Inc.	21,125	18,853	15,401	Procter & Gamble Company	924,512	1,153,337
700	Lennar Corporation Class A	50,332	42,789	1,000	Reynolds American Inc.	57,362	76,286
1,988	Limited Brands Inc.	53,228	67,037	2,074	Safeway Inc.	151,581	83,519
318	Liz Claiborne Inc.	9,222	16,103	3,550	Sara Lee Corporation	94,825	70,444
7,192	Lowe's Companies Inc.	133,816	261,041	730	Super Valu Inc.	22,083	30,409
1,468	Marriott International Inc. Class A	36,620	81,626	3,382	Sysco Corporation	94,849	144,861
2,156	Mattel Inc.	60,946	56,926	1,500	Tyson Foods Inc. Class A	32,741	28,751
5,731	McDonald's Corporation	290,369	296,026	665	UST Inc.	25,714	45,097
1,796	McGraw-Hill Companies Inc.	70,017	142,346	1,115	W.M. Wrigley Jr. Company	51,248	67,195
376	Meredith Corporation	17,709	24,688	11,999	Wal-Mart Stores Inc.	817,400	645,655
1,248	New York Times Company Class A	63,324	35,424	4,686	Walgreen Company	190,865	250,566
956	Newell Rubbermaid Inc.	46,580	32,248	600	Whole Foods Markets Inc.	54,298	32,810
11,200	News Corporation Class A	255,126	280,320			6,152,911	6,762,751
820	Nike Inc. Class B	63,190	94,620	Health Care - 11.8%			
956	Nordstrom Inc.	17,549	54,961	7,490	Abbott Laboratories	457,817	425,110
1,173	Office Depot Inc.	29,643	52,170	2,552	Aetna Inc.	31,022	128,400
450	OfficeMax Inc.	23,446	26,034	658	Allergan Inc.	57,755	91,805
881	Omnicom Group Inc.	98,351	107,315	906	AmerisourceBergen Corporation	44,392	47,463
876	Pulte Homes Inc.	8,700	33,806	5,783	Amgen Inc.	385,675	460,298
178	RadioShack Corporation	10,171	3,480	648	Applera Corporation - Applied Biosystems Group	46,380	27,703
496	Sears Holding Corporation	86,414	97,054	494	Bard (C.R.) Inc.	16,132	47,758
794	Sherwin-Williams Company	44,996	58,822	500	Barr Laboratories Inc.	38,478	29,200
469	Snap-On Inc.	21,410	26,034	420	Bausch & Lomb Inc.	34,408	25,477
134	Stanley Works	5,816	7,852	3,390	Baxter International Inc.	177,633	183,242
3,608	Staples Inc.	80,566	112,248	1,173	Becton, Dickinson and Company	53,094	95,880
3,960	Starbucks Corporation	64,363	163,435	1,611	Biogen Idec Inc.	128,144	92,337
1,300	Starwood Hotels & Resorts Worldwide Inc.	75,315	94,673	1,172	Biomet Inc.	28,508	56,359
4,239	Target Corporation	186,162	281,787	5,497	Boston Scientific Corporation	124,126	110,040
496	Tiffany & Company	24,077	22,678	9,787	Bristol-Myers Squibb Company	807,624	300,149
19,409	Time Warner Inc.	1,400,546	492,564	2,103	Cardinal Health Inc.	153,122	157,881
1,968	TJX Companies Inc.	33,491	65,400	2,289	Caremark Rx Inc.	99,172	152,321
792	Tribune Company	43,057	28,405	1,600	Celgene Corporation	93,214	107,255
1,100	Univision Communications Inc. Class A	65,887	45,399	900	Coventry Health Care Inc.	56,489	52,487

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia American Stock Index Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Information Technology (cont'd)				Information Technology (cont'd)			
4,136	Apple Computer Inc.	112,083	408,867	3,843	Western Union Company	86,046	100,394
7,520	Applied Materials Inc.	250,821	161,665	4,749	Xerox Corporation	219,106	93,794
1,048	Autodesk Inc.	12,491	49,407	1,592	Xilinx Inc.	120,044	44,168
2,796	Automatic Data Processing Inc.	186,050	160,452	6,382	Yahoo! Inc.	654,042	189,924
2,411	Avaya Inc.	70,220	39,274			<u>20,963,990</u>	<u>11,423,705</u>
662	BMC Software Inc.	44,668	24,838	Telecommunication Services – 3.1%			
2,248	Broadcom Corporation Class A	405,029	84,632	2,004	Alltel Corporation	183,112	141,225
2,438	CA Inc. Rights	–	–	19,570	AT&T Corporation	2,101,360	815,208
390	Ciena Corporation	77,524	12,592	8,716	BellSouth Corporation	508,906	478,445
29,581	Cisco Systems Inc.	1,567,299	942,006	550	CenturyTel Inc.	32,667	27,980
1,066	Citrix Systems Inc.	59,009	33,599	2,319	Citizens Communications Company	54,165	38,829
600	Cognizant Technology Solution Corporation	54,590	53,944	740	Embarq Corporation	36,855	45,320
2,438	Computer Associates International Inc.	162,352	64,343	8,769	Qwest Communications International Inc.	299,571	85,522
812	Computer Sciences Corporation	76,667	50,496	14,612	Verizon Communications Inc.	999,471	634,046
3,120	Compuware Corporation	119,269	30,283	2,071	Windstream Corporation	27,011	34,315
1,532	Comverse Technology Inc.	169,635	37,683			<u>4,243,118</u>	<u>2,300,890</u>
242	Convergys Corporation	16,343	6,705	Utilities – 3.5%			
7,725	Corning Inc.	403,948	168,412	2,814	AES Corporation	161,609	72,267
10,703	Dell Inc.	522,193	312,901	1,090	Allegheny Energy Inc.	71,017	58,309
5,800	eBay Inc.	130,242	203,218	1,109	Ameren Corporation	61,004	69,430
1,600	Electronic Arts Inc.	71,664	93,887	1,610	American Electric Power Company Inc.	79,246	79,879
2,594	Electronic Data Systems Corporation	217,383	83,271	953	CentrePoint Energy Inc.	39,345	18,411
10,913	EMC Corporation	585,290	167,849	1,163	CMS Energy Corporation	56,171	22,631
3,843	First Data Corporation	102,868	114,275	1,057	Consolidated Edison Inc.	56,178	59,204
700	Fiserv Inc.	32,922	42,756	863	Constellation Energy Group Inc.	41,520	69,254
1,000	Google Inc.	462,762	536,552	1,593	Dominion Resources Inc.	112,195	155,621
300	Harman International Industries Inc.	37,749	34,925	815	DTE Energy Company	44,646	45,972
13,387	Hewlett-Packard Company	793,050	642,505	6,170	Duke Energy Corporation	246,006	238,757
28,071	Intel Corporation	1,558,773	662,345	2,930	Dynegy Inc. Class A	231,212	24,718
7,606	International Business Machines Corporation	1,035,302	860,995	1,413	Edison International	47,156	74,880
1,600	Intuit Inc.	57,978	56,881	1,126	Entergy Corporation	47,696	121,125
632	Jabil Circuit Inc.	34,060	18,079	3,348	Exelon Corporation	128,536	241,439
1,391	JDS Uniphase Corporation	1,615,503	27,002	1,571	FirstEnergy Corporation	65,578	110,381
2,700	Juniper Networks Inc.	49,148	59,586	1,762	FPL Group Inc.	66,562	111,729
782	KLA-Tencor Corporation	50,850	45,332	1,120	KeySpan Corporation	58,727	53,741
427	Lexmark International Inc.	47,828	36,420	329	Nicor Inc.	18,027	17,941
1,266	Linear Technology Corporation	103,601	44,726	1,685	NiSource Inc.	57,029	47,317
3,094	LSI Logic Corporation	129,316	32,446	342	Peoples Energy Corporation	17,367	17,761
1,273	Maxim Integrated Products Inc.	103,689	45,419	1,503	PG & E Corporation	53,370	82,889
4,428	Micron Technology Inc.	165,202	72,027	714	Pinnacle West Capital Corporation	38,545	42,172
42,024	Microsoft Corporation	2,074,930	1,462,139	1,586	PPL Corporation	32,107	66,233
475	Molex Inc.	29,976	17,506	1,151	Progress Energy Inc.	65,498	65,824
12,705	Motorola Inc.	524,637	304,368	1,229	Public Service Enterprise Group Inc.	65,263	95,058
1,536	National Semiconductor Corporation	38,828	40,627	400	Qwestar Corporation	39,376	38,708
1,136	NCR Corporation	45,179	56,600	1,067	Sempra Energy Corporation	33,226	69,673
1,508	Network Appliance Inc.	95,897	69,020	3,682	Southern Company	140,211	158,140
3,005	Novell Inc.	79,821	21,709	1,157	TECO Energy Inc.	48,486	23,228
260	Novellus Systems Inc.	20,085	10,428	2,388	TXU Corporation	73,961	150,840
1,582	NVIDIA Corporation	71,542	68,222	1,540	Xcel Energy Inc.	55,095	41,379
19,165	Oracle Corporation	478,211	382,755			<u>2,351,965</u>	<u>2,544,911</u>
886	Parametric Technology Corporation	59,681	18,603	TOTAL INVESTMENT PORTFOLIO			
1,401	Paychex Inc.	66,993	64,547			<u>80,500,222</u>	<u>73,116,667</u>
1,382	PMC-Sierra Inc.	78,035	10,805	OTHER ASSETS, LESS LIABILITIES – 0.3%			
380	QLogic Corporation	32,096	9,706				<u>202,351</u>
7,864	Qualcomm Inc.	428,350	346,276	TOTAL NET ASSETS – 100.0%			
796	Sabre Holdings Corporation	57,492	29,578				<u>73,319,018</u>
800	Sandisk Corporation	57,981	40,111				
4,396	Sanmina-SCI Corporation	229,988	17,672				
6,916	Solectron Corporation	310,827	25,949				
14,808	Sprint Nextel Corporation	849,502	325,934				
19,604	Sun Microsystems Inc.	548,036	123,807				
5,539	Symantec Corporation	208,230	134,567				
1,960	Symbol Technologies Inc.	73,397	34,120				
818	Tektronix Inc.	24,103	27,803				
2,122	Tellabs Inc.	159,107	25,368				
1,472	Teradyne Inc.	119,497	25,659				
7,791	Texas Instruments Inc.	484,219	261,449				
2,720	Unisys Corporation	96,296	24,848				
1,300	Verisign Inc.	35,297	36,430				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia American Stock Index Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$73,116,667	\$71,427,611
Cash	178,513	—
Accrued investment income	68,585	83,658
Receivable for securities sold	—	770,125
Subscriptions receivable	32,073	133,962
	<u>73,395,838</u>	<u>72,415,356</u>
LIABILITIES		
Bank indebtedness	—	572,952
Payable for securities purchased	—	54,298
Distributions payable	19,528	17,635
Redemptions payable	7,723	6,552
Accrued expenses	49,569	55,014
	<u>76,820</u>	<u>706,451</u>
Net assets	<u>\$73,319,018</u>	<u>\$71,708,905</u>
NET ASSETS PER CLASS		
Class A Units	\$58,766,640	\$63,458,146
Class I Units	\$14,552,378	\$ 8,250,759
UNITS OUTSTANDING		
Class A Units	3,890,279	4,760,934
Class I Units	958,555	616,189
NET ASSET VALUE PER UNIT		
Class A Units	\$ 15.11	\$ 13.33
Class I Units	\$ 15.18	\$ 13.39

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 1,360,129	\$ 1,640,088
Interest	(3,724)	3,988
Securities lending	985	1,377
Foreign withholding taxes	(185,445)	(229,272)
	<u>1,171,945</u>	<u>1,416,181</u>
EXPENSES		
Management fees (note 4)	455,721	654,152
Audit fees	17,451	13,774
Directors/trustee fees	2,755	2,642
Custodian fees	10,117	10,281
Filing fees	15,689	13,204
Legal fees	5,741	1,110
Unitholder reporting	51,644	100,033
Unitholder administration, service fees and GST	345,976	467,637
	<u>905,094</u>	<u>1,262,833</u>
Absorbed expenses	(351,310)	(468,589)
	<u>553,784</u>	<u>794,244</u>
Net investment income (loss)	<u>618,161</u>	<u>621,937</u>
Net realized gain (loss) on investments sold	(4,143,664)	(4,729,613)
Net realized gain (loss) on foreign exchange	(16,825)	(9,829)
Change in unrealized appreciation (depreciation) of investments	<u>12,716,216</u>	<u>4,493,705</u>
Net gain (loss) on investments	<u>8,555,727</u>	<u>(245,737)</u>
Increase (decrease) in net assets from operations	<u>\$ 9,173,888</u>	<u>\$ 376,200</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 7,492,133	\$ 305,925
Class I Units	\$ 1,681,755	\$ 70,275
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.79	\$ 0.05
Class I Units	\$ 2.20	\$ 0.26

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 63,458,146	\$ 91,402,382
Class I Units	8,250,759	—
	<u>71,708,905</u>	<u>91,402,382</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	7,492,133	305,925
Class I Units	1,681,755	70,275
	<u>9,173,888</u>	<u>376,200</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(415,222)	(553,091)
Class I Units	(218,587)	(68,985)
	<u>(633,809)</u>	<u>(622,076)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	6,964,721	11,964,007
Class I Units	5,668,710	8,257,998
Reinvested distributions		
Class A Units	371,842	518,549
Class I Units	218,587	68,985
Payments on redemption		
Class A Units	(19,104,980)	(40,179,626)
Class I Units	(1,048,846)	(77,514)
	<u>(6,929,966)</u>	<u>(19,447,601)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(4,691,506)	(27,944,236)
Class I Units	6,301,619	8,250,759
	<u>1,610,113</u>	<u>(19,693,477)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	58,766,640	63,458,146
Class I Units	14,552,378	8,250,759
	<u>\$ 73,319,018</u>	<u>\$ 71,708,905</u>

Scotia American Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares/ Number of Contracts	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 97.2%				EQUITIES (cont'd)			
Energy – 9.8%				Health Care – 11.0%			
6,000	Apache Corporation	432,546	464,986	19,450	Abbott Laboratories	1,041,567	1,103,924
12,800	Chevron Corporation	1,010,214	1,096,670	19,720	Amgen Inc.	1,544,836	1,569,613
18,350	ConocoPhillips	709,012	1,538,396	11,600	Eli Lilly & Company	740,428	704,202
37,090	Exxon Mobil Corporation	2,320,256	3,311,746	3,500	Gilead Sciences Inc.	265,157	264,798
13,300	Halliburton Company	486,204	481,188	32,670	Johnson & Johnson	2,213,182	2,513,194
4,600	Hess Corporation	272,293	265,692	50,000	Pfizer Inc.	1,761,350	1,508,937
21,580	Nabors Industries Ltd.	706,425	748,820	200	Pfizer Inc. Put Options \$25.00 Jan. 19, 2007	9,582	4,078
12,110	Peabody Energy Corporation	601,309	570,209	10,780	Thermo Electron Corporation	415,980	568,882
14,610	Schlumberger Ltd.	617,700	1,075,211	16,600	UnitedHealth Group Inc.	940,968	1,039,265
6,930	Transocean Inc.	313,680	653,175	8,300	WellPoint Inc.	718,533	761,025
12,586	XTO Energy Inc.	435,846	689,999	26,690	Wyeth	1,481,879	1,583,574
		<u>7,905,485</u>	<u>10,896,092</u>	6,700	Zimmer Holdings Inc.	566,591	611,901
						<u>11,700,053</u>	<u>12,233,393</u>
Materials – 2.4%				Financials – 20.2%			
14,250	Alcoa Inc.	643,837	498,290	17,240	American Express Company	1,116,232	1,218,744
6,700	Freeport-McMoran Copper & Gold Inc. Class B	448,996	435,076	24,610	American International Group Inc.	1,827,512	2,054,896
14,750	Newmont Mining Corporation	847,297	775,981	59,720	Bank of America Corporation	3,382,500	3,715,191
13,310	Praxair Inc.	616,834	920,140	38,250	Bank of New York Company Inc.	1,521,658	1,754,681
		<u>2,556,964</u>	<u>2,629,487</u>	50,370	Citigroup Inc.	3,121,973	3,269,102
Industrials – 9.9%				6,320	Franklin Resources Inc.	705,283	811,301
5,100	Boeing Company	456,643	527,935	2,800	Goldman Sachs Group Inc.	361,776	650,393
5,600	Burlington Northern Santa Fe Corporation	485,581	481,620	10,630	Hartford Financial Services Group Inc.	878,068	1,155,747
5,580	Caterpillar Inc.	287,118	398,757	44,980	JPMorgan Chase & Company	2,153,655	2,531,442
6,800	Danaher Corporation	487,554	573,969	14,740	Merrill Lynch & Company Inc.	1,145,481	1,599,000
4,700	Deere & Company	435,146	520,646	14,610	Prudential Financial Inc.	831,420	1,461,647
6,100	Eaton Corporation	497,652	534,075	11,700	Wachovia Corporation	725,251	776,392
15,800	Emerson Electric Company	665,759	811,706	36,580	Wells Fargo & Company	1,317,980	1,515,678
75,430	General Electric Company	3,379,643	3,270,432			<u>19,088,789</u>	<u>22,514,214</u>
11,490	Goodrich Corporation	481,139	609,831	Information Technology – 16.4%			
10,460	Honeywell International Inc.	468,080	551,386	23,500	Adobe Systems Inc.	888,761	1,125,958
20,370	Norfolk Southern Corporation	1,052,890	1,193,643	21,000	Advanced Micro Devices Inc.	518,465	497,949
4,900	Textron Inc.	429,500	535,379	20,230	Apple Computer Inc.	1,303,377	1,999,852
14,430	United Technologies Corporation	844,272	1,051,203	9,000	Broadcom Corporation Class A	309,584	338,829
		<u>9,970,977</u>	<u>11,060,582</u>	70,920	Cisco Systems Inc.	1,950,530	2,258,446
Consumer Discretionary – 10.4%				33,170	Corning Inc.	991,131	723,137
11,030	Abercrombie & Fitch Company Class A	836,500	894,897	8,350	Electronic Arts Inc.	544,082	489,975
11,500	Best Buy Company Inc.	721,705	659,138	800	Google Inc.	354,972	429,242
25,600	Comcast Corporation Class A	963,382	1,262,669	24,020	Hewlett-Packard Company	972,148	1,152,832
19,000	Dollar General Corporation	294,975	355,550	59,210	Intel Corporation	1,694,696	1,397,081
12,000	Federated Department Stores Inc.	538,246	533,150	2,995	International Business Machines Corporation	342,468	339,032
24,800	GAP Inc.	523,972	563,492	5,960	MEMC Electronic Materials Inc.	191,329	271,812
5,900	Harrah's Entertainment Inc.	494,626	568,675	24,000	Micron Technology Inc.	396,202	390,389
18,866	Home Depot Inc.	1,032,940	882,826	77,150	Microsoft Corporation	2,606,140	2,684,276
6,480	Kohl's Corporation	403,816	516,682	21,000	Motorola Inc.	539,407	503,088
12,920	McGraw-Hill Companies Inc.	651,508	1,024,001	49,000	Oracle Corporation	797,205	978,607
7,210	Omnicom Group Inc.	739,169	878,252	330	Oracle Corporation Call Options \$17.50 Jan. 19, 2007	43,154	8,652
8,800	Starwood Hotels & Resorts Worldwide Inc.	578,955	640,861	16,800	Qualcomm Inc.	815,241	739,754
15,600	Target Corporation	917,996	1,037,007	16,000	Symantec Corporation	384,872	388,712
22,600	Time Warner Inc.	573,116	573,545	32,000	Texas Instruments Inc.	1,223,100	1,073,851
29,940	Walt Disney Company	1,131,761	1,195,549	20,000	Yahoo! Inc.	613,383	595,185
		<u>10,402,667</u>	<u>11,586,294</u>			<u>17,480,247</u>	<u>18,386,659</u>
Consumer Staples – 9.4%				Telecommunication Services – 3.5%			
11,890	Altria Group Inc.	1,062,788	1,188,972	68,900	AT&T Corporation	2,148,249	2,870,097
13,900	Colgate-Palmolive Company	987,012	1,056,647	25,000	Verizon Communications Inc.	907,417	1,084,803
15,354	Constellation Brands Inc. Class A	513,360	519,183			<u>3,055,666</u>	<u>3,954,900</u>
8,030	Costco Wholesale Corporation	401,180	494,682	Utilities – 4.2%			
31,510	CVS Corporation	910,481	1,134,878	21,570	Dominion Resources Inc.	1,811,289	2,107,186
17,820	Kellogg Company	910,680	1,039,441	19,420	Entergy Corporation	1,610,877	2,089,038
11,990	McCormick & Company Inc.	471,526	538,713	6,400	Exelon Corporation	430,668	461,532
23,270	PepsiCo Inc.	1,551,623	1,695,997			<u>3,852,834</u>	<u>4,657,756</u>
28,440	Procter & Gamble Company	1,861,752	2,129,802	TOTAL EQUITIES			
13,400	Wal-Mart Stores Inc.	741,661	721,041			<u>95,425,745</u>	<u>108,438,733</u>
		<u>9,412,063</u>	<u>10,519,356</u>				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia American Growth Fund (Continued)

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
SHORT-TERM NOTES – 2.7%			
790,000 (US)	Canadian Wheat Board Commercial Paper 5.14% to 5.19% due from Jan. 29, 2007 to Feb. 15, 2007	886,626	916,169
1,150,000 (US)	Export Development Corporation Commercial Paper 5.15% to 5.18% due from Jan. 12, 2007 to Jan. 22, 2007	1,279,176	1,335,817
665,000 (US)	Government of Canada Treasury Bills 5.10% due Mar. 15, 2007	763,076	766,716
	TOTAL SHORT-TERM NOTES	<u>2,928,878</u>	<u>3,018,702</u>
	TOTAL INVESTMENT PORTFOLIO	<u>98,354,623</u>	111,457,435
	OTHER ASSETS, LESS LIABILITIES – 0.1%		117,847
	TOTAL NET ASSETS – 100.0%		<u>111,575,282</u>

Scotia American Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$111,457,435	\$123,648,480
Cash	31,847	128,098
Accrued investment income	74,308	121,912
Receivable for securities sold	619,941	2,953,493
Subscriptions receivable	87,636	257,201
	<u>112,271,167</u>	<u>127,109,184</u>
LIABILITIES		
Payable for securities purchased	557,225	–
Redemptions payable	5,401	12,433
Accrued expenses	133,259	196,370
	<u>695,885</u>	<u>208,803</u>
Net assets	<u>\$111,575,282</u>	<u>\$126,900,381</u>
NET ASSETS PER CLASS		
Class A Units	\$ 66,214,614	\$ 81,204,890
Class F Units	\$ 45,360,668	\$ 29,328,573
Scotia Private Client Units	\$ –	\$ 16,366,918
UNITS OUTSTANDING		
Class A Units	6,788,257	9,034,614
Class F Units	4,256,857	3,069,922
Scotia Private Client Units	–	1,614,997
NET ASSET VALUE PER UNIT		
Class A Units	\$ 9.75	\$ 8.99
Class F Units	\$ 10.66	\$ 9.55
Scotia Private Client Units	\$ –	\$ 10.13

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$1,747,420	\$ 3,262,540
Interest	261,487	204,468
Securities lending	1,726	1,100
Foreign withholding taxes	(250,567)	(425,497)
	<u>1,760,066</u>	<u>3,042,611</u>
EXPENSES		
Management fees (note 4)	1,355,363	2,633,673
Audit fees	18,744	15,558
Directors'/trustee fees	2,755	2,642
Custodian fees	19,711	20,654
Filing fees	29,084	34,012
Legal fees	11,231	2,574
Unitholder reporting	76,334	164,974
Unitholder administration, service fees and GST	575,941	847,687
	<u>2,089,163</u>	<u>3,721,774</u>
Absorbed expenses	(280,407)	(164,630)
	<u>1,808,756</u>	<u>3,557,144</u>
Net investment income (loss)	(48,690)	(514,533)
Net realized gain (loss) on investments sold	1,189,335	(1,724,406)
Net realized gain (loss) on foreign exchange	(58,448)	(215,199)
Change in unrealized appreciation (depreciation) of investments	8,852,888	4,206,036
Net gain (loss) on investments	<u>9,983,775</u>	<u>2,266,431</u>
Increase (decrease) in net assets from operations	<u>\$9,935,085</u>	<u>\$ 1,751,898</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$5,317,605	\$ 128,339
Class F Units	\$ –	\$ 124
Class I Units	\$4,468,763	\$ 360,442
Scotia Private Client Units	\$ 148,717	\$ 1,262,993
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.71	\$ 0.01
Class F Units	\$ –	\$ –
Class I Units	\$ 1.17	\$ 0.21
Scotia Private Client Units	\$ 0.32	\$ 0.22

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 81,204,890	\$ 153,946,773
Class F Units	–	3,700
Class I Units	29,328,573	9,231,774
Scotia Private Client Units	16,366,918	73,341,853
	<u>126,900,381</u>	<u>236,524,100</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	5,317,605	128,339
Class F Units	–	124
Class I Units	4,468,763	360,442
Scotia Private Client Units	148,717	1,262,993
	<u>9,935,085</u>	<u>1,751,898</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	4,865,115	14,173,940
Class I Units	11,853,734	20,077,232
Scotia Private Client Units	50,458	26,757,065
Payments on redemption		
Class A Units	(25,172,996)	(87,044,162)
Class F Units	–	(3,824)
Class I Units	(290,402)	(340,875)
Scotia Private Client Units	(16,566,093)	(84,994,993)
	<u>(25,260,184)</u>	<u>(111,375,617)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(14,990,276)	(72,741,883)
Class F Units	–	(3,700)
Class I Units	16,032,095	20,096,799
Scotia Private Client Units	(16,366,918)	(56,974,935)
	<u>(15,325,099)</u>	<u>(109,623,719)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	66,214,614	81,204,890
Class F Units	–	–
Class I Units	45,360,668	29,328,573
Scotia Private Client Units	–	16,366,918
	<u>\$111,575,282</u>	<u>\$ 126,900,381</u>

The accompanying notes are an integral part of the financial statements

Scotia Cassels U.S. Equity Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 95.3%				EQUITIES (cont'd)			
Energy – 9.5%				Health Care – 10.7%			
1,700	Apache Corporation	122,646	131,746	3,440	Abbott Laboratories	177,842	195,244
3,600	Chevron Corporation	282,898	308,438	5,290	Amgen Inc.	426,520	421,057
4,900	ConocoPhillips	359,660	410,798	3,000	Eli Lilly & Company	191,515	182,121
9,600	Exxon Mobil Corporation	699,736	857,179	900	Gilead Sciences Inc.	68,183	68,091
3,700	Halliburton Company	135,248	133,864	10,700	Johnson & Johnson	740,335	823,115
1,100	Hess Corporation	65,113	63,535	8,580	Pfizer Inc.	249,848	258,934
5,030	Nabors Industries Ltd.	208,320	174,540	3,020	Thermo Electron Corporation	116,833	159,371
2,700	Peabody Energy Corporation	144,784	127,132	4,800	UnitedHealth Group Inc.	272,087	300,510
3,920	Schlumberger Ltd.	245,928	288,489	2,400	WellPoint Inc.	208,028	220,055
1,840	Transocean Inc.	149,080	173,426	6,740	Wyeth	363,476	399,898
2,900	XTO Energy Inc.	148,665	158,986	1,500	Zimmer Holdings Inc.	126,035	136,993
		<u>2,562,078</u>	<u>2,828,133</u>			<u>2,940,702</u>	<u>3,165,389</u>
Materials – 2.4%				Financials – 19.8%			
3,700	Alcoa Inc.	134,655	129,381	4,420	American Express Company	267,074	312,462
1,900	Freeport-McMoran Copper & Gold Inc. Class B	127,235	123,380	6,340	American International Group Inc.	464,621	529,380
4,000	Newmont Mining Corporation	246,475	210,436	15,900	Bank of America Corporation	842,997	989,142
3,580	Praxair Inc.	217,501	247,491	9,760	Bank of New York Company Inc.	385,915	447,730
		<u>725,866</u>	<u>710,688</u>	13,170	Citigroup Inc.	724,570	854,756
Industrials – 10.6%				1,690	Franklin Resources Inc.	186,274	216,946
1,500	Boeing Company	134,320	155,275	740	Goldman Sachs Group Inc.	118,519	171,889
1,700	Burlington Northern Santa Fe Corporation	147,357	146,206	2,740	Hartford Financial Services Group Inc.	269,331	297,907
3,100	Caterpillar Inc.	238,811	221,532	11,610	JPMorgan Chase & Company	564,190	653,402
2,000	Danaher Corporation	143,398	168,815	3,900	Merrill Lynch & Company Inc.	334,102	423,073
1,300	Deere & Company	119,641	144,009	3,940	Prudential Financial Inc.	340,757	394,174
1,700	Eaton Corporation	138,679	148,841	3,200	Wachovia Corporation	198,415	212,346
4,400	Emerson Electric Company	207,095	226,045	9,320	Wells Fargo & Company	353,221	386,170
19,340	General Electric Company	767,948	838,528			<u>5,049,986</u>	<u>5,889,377</u>
3,840	Goodrich Corporation	181,165	203,808	Information Technology – 14.8%			
2,870	Honeywell International Inc.	133,030	151,288	6,300	Adobe Systems Inc.	256,815	301,853
5,470	Norfolk Southern Corporation	308,226	320,531	5,000	Advanced Micro Devices Inc.	123,444	118,559
1,260	Textron Inc.	120,213	137,669	3,520	Apple Computer Inc.	263,451	347,972
3,730	United Technologies Corporation	249,496	271,725	18,960	Cisco Systems Inc.	481,061	603,781
		<u>2,889,379</u>	<u>3,134,272</u>	7,400	Corning Inc.	218,916	161,327
Consumer Discretionary – 10.2%				2,500	Electronic Arts Inc.	157,897	146,699
2,790	Abercrombie & Fitch Company Class A	212,006	226,361	180	Google Inc.	79,869	96,579
2,700	Best Buy Company Inc.	169,748	154,754	6,170	Hewlett-Packard Company	227,505	296,127
7,500	Comcast Corporation Class A	279,215	369,923	14,940	Intel Corporation	338,524	352,515
5,400	Dollar General Corporation	83,835	101,051	660	International Business Machines Corporation	63,468	74,712
2,800	Federated Department Stores Inc.	125,582	124,402	1,560	MEMC Electronic Materials Inc.	55,990	71,145
7,000	GAP Inc.	147,895	159,050	6,000	Micron Technology Inc.	99,051	97,597
1,480	Harrah's Entertainment Inc.	119,972	142,651	20,330	Microsoft Corporation	593,345	707,341
4,378	Home Depot Inc.	200,714	204,866	5,000	Motorola Inc.	128,430	119,783
1,810	Kohl's Corporation	101,864	144,320	14,500	Oracle Corporation	216,404	289,588
3,690	McGraw-Hill Companies Inc.	223,943	292,459	3,400	Qualcomm Inc.	184,691	149,712
1,830	Omnicom Group Inc.	179,724	222,913	4,000	Symantec Corporation	96,218	97,178
2,300	Starwood Hotels & Resorts Worldwide Inc.	150,940	167,498	6,500	Texas Instruments Inc.	231,933	218,126
4,110	Target Corporation	259,052	273,211	4,800	Yahoo! Inc.	147,212	142,844
6,300	Time Warner Inc.	159,759	159,882			<u>3,964,224</u>	<u>4,393,438</u>
7,170	Walt Disney Company	222,584	286,309	Telecommunication Services – 3.5%			
		<u>2,636,833</u>	<u>3,029,650</u>	17,780	AT&T Corporation	548,419	740,643
Consumer Staples – 9.2%				7,000	Verizon Communications Inc.	254,502	303,745
2,810	Altria Group Inc.	250,318	280,993			<u>802,921</u>	<u>1,044,388</u>
3,710	Colgate-Palmolive Company	236,669	282,026	Utilities – 4.6%			
4,226	Constellation Brands Inc. Class A	122,263	142,899	6,780	Dominion Resources Inc.	616,247	662,342
2,190	Costco Wholesale Corporation	126,699	134,913	5,400	Entergy Corporation	440,826	580,886
7,780	CVS Corporation	256,171	280,208	1,800	Exelon Corporation	121,125	129,806
4,700	Kellogg Company	242,073	274,151			<u>1,178,198</u>	<u>1,373,034</u>
2,970	McCormick & Company Inc.	112,131	133,443	TOTAL EQUITIES			
5,780	PepsiCo Inc.	391,094	421,266			<u>25,202,475</u>	<u>28,287,503</u>
7,757	Procter & Gamble Company	521,143	580,903				
3,500	Wal-Mart Stores Inc.	193,727	188,332				
		<u>2,452,288</u>	<u>2,719,134</u>				

EQUITY FUNDS

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels U.S. Equity Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
SHORT-TERM NOTES – 4.4%			
590,000 (US)	Business Development Bank Commercial Paper 5.13% to 5.16% due from Feb. 13, 2007 to Mar. 16, 2007	679,894	681,860
380,000 (US)	Canadian Wheat Board Commercial Paper 5.15% to 5.19% due from Jan. 29, 2007 to Feb. 20, 2007	431,812	439,877
160,000 (US)	Export Development Corporation Commercial Paper 5.15% due Jan. 22, 2007	177,635	185,827
	TOTAL SHORT-TERM NOTES	<u>1,289,341</u>	<u>1,307,564</u>
	TOTAL INVESTMENT PORTFOLIO	<u>26,491,816</u>	<u>29,595,067</u>
	OTHER ASSETS, LESS LIABILITIES – 0.3%		81,039
	TOTAL NET ASSETS – 100.0%		<u>29,676,106</u>

The accompanying notes are an integral part of the financial statements

Scotia Cassels U.S. Equity Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$29,595,067	\$14,741,695
Cash	112,831	114,243
Accrued investment income	18,615	9,964
Receivable for securities sold	55,258	—
Subscriptions receivable	36,161	—
	<u>29,817,932</u>	<u>14,865,902</u>
LIABILITIES		
Payable for securities purchased	120,618	967,717
Redemptions payable	10,237	—
Accrued expenses	10,971	4,346
	<u>141,826</u>	<u>972,063</u>
Net assets	<u>\$29,676,106</u>	<u>\$13,893,839</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$29,676,106</u>	<u>\$13,893,839</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>2,679,423</u>	<u>1,381,710</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 11.08</u>	<u>\$ 10.06</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends	\$ 405,864	\$ 32,125
Interest	50,513	9,933
Securities lending	84	—
Foreign withholding taxes	(58,746)	(4,653)
	<u>397,715</u>	<u>37,405</u>
EXPENSES		
Management fees (note 4)	24,078	2,048
Audit fees	12,627	9,314
Custodian fees	16,109	3,106
Filing fees	13,593	2,250
Legal fees	3,162	149
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	38,136	8,253
	<u>117,797</u>	<u>27,263</u>
Absorbed expenses	(5,245)	(20,003)
	<u>112,552</u>	<u>7,260</u>
Net investment income (loss)	<u>285,163</u>	<u>30,145</u>
Net realized gain (loss) on investments sold	(522,876)	(68,717)
Net realized gain (loss) on foreign exchange	(2,891)	(36,691)
Change in unrealized appreciation (depreciation) of investments	3,096,290	3,126
Net gain (loss) on investments	<u>2,570,523</u>	<u>(102,282)</u>
Increase (decrease) in net assets from operations	<u>\$2,855,686</u>	<u>\$ (72,137)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$2,855,686</u>	<u>\$ (72,137)</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 1.20</u>	<u>\$ (0.09)</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	\$13,893,839	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	2,855,686	(72,137)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	(269,773)	(14,768)
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	22,802,176	14,209,988
Reinvested distributions		
Scotia Private Client Units	269,605	14,768
Payments on redemption		
Scotia Private Client Units	(9,875,427)	(244,012)
	<u>13,196,354</u>	<u>13,980,744</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>15,782,267</u>	<u>13,893,839</u>
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	<u>\$29,676,106</u>	<u>\$13,893,839</u>

*For the period since inception to December 31, 2005

Scotia CanAm Stock Index Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
TREASURY BILLS – 8.3%			
10,000,000	Government of Canada (US) 5.14% due Apr. 16, 2007	11,095,591	11,478,504
COMMERCIAL PAPER – 82.7%			
99,000,000	Export Development Corporation (US) 5.17% to 5.25% due from Jan. 30, 2007 to Mar. 26, 2007	109,911,502	114,666,980
TOTAL INVESTMENT PORTFOLIO		121,007,093	126,145,484
OTHER ASSETS, LESS LIABILITIES – 9.0%			12,510,777
TOTAL NET ASSETS – 100.0%			138,656,261

Note: As at December 31, 2006, the Scotia CanAm Stock Index Fund holds 333 futures contracts to purchase the Standard and Poor's 500 Composite Stock Index ("S&P 500 Index") contracts for settlement in March 2007. These futures contracts are financial agreements to purchase the S&P 500 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the S&P 500 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contract Price (\$)	Market Price (\$)	Contractual Market Value (\$)
	S&P 500 Composite Stock Index			
224	Futures Contracts – March 2007	1,425	1,428	93,205,006
109	Futures Contracts – March 2007	1,425	1,428	45,354,221
333			TOTAL	138,559,227

With respect to the above futures contracts, \$8,500,000 of the April 16, 2007 Government of Canada Treasury Bill is held on margin.

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$126,145,484	\$163,694,924
Cash	11,680,340	782,816
Subscriptions receivable	1,480	4,916
Receivable from futures contracts	959,107	–
	138,786,411	164,482,656
LIABILITIES		
Redemptions payable	16,311	35,907
Accrued expenses	113,839	142,158
	130,150	178,065
Net assets	\$138,656,261	\$164,304,591
NET ASSETS PER CLASS		
Class A Units	\$138,656,261	\$164,304,591
UNITS OUTSTANDING		
Class A Units	14,242,411	19,284,087
NET ASSET VALUE PER UNIT		
Class A Units	\$ 9.74	\$ 8.52

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 6,703,112	\$ 6,967,472
Futures contracts	13,783,848	2,714,159
	20,486,960	9,681,631
EXPENSES		
Management fees (note 4)	1,113,456	2,071,483
Audit fees	19,636	15,558
Directors'/trustee fees	2,755	2,642
Custodian fees	9,181	15,754
Filing fees	16,823	20,117
Legal fees	10,195	1,109
Unitholder reporting	93,381	188,511
Unitholder administration, service fees and GST	645,732	898,955
	1,911,159	3,214,129
Absorbed expenses	(510,195)	(753,630)
	1,400,964	2,460,499
Net investment income (loss)	19,085,996	7,221,132
Net realized gain (loss) on foreign exchange	(3,651,634)	(12,649,343)
Change in unrealized appreciation (depreciation) of investments	2,786,086	5,717,626
Net gain (loss) on investments	(865,548)	(6,931,717)
Increase (decrease) in net assets from operations	\$18,220,448	\$ 289,415
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$18,220,448	\$ 289,415
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.14	\$ 0.01

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$164,304,591	\$277,749,759
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	18,220,448	289,415
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	6,233,619	19,321,422
Payments on redemption		
Class A Units	(50,102,397)	(133,056,005)
	(43,868,778)	(113,734,583)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(25,648,330)	(113,445,168)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	\$138,656,261	\$164,304,591

Scotia Nasdaq Index Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
TREASURY BILLS – 22.2%			
2,500,000	Government of Canada (US) 5.14% due Apr. 16, 2007	<u>2,773,898</u>	<u>2,869,626</u>
COMMERCIAL PAPER – 61.7%			
1,000,000	Business Development Bank (US) 5.17% due Jan. 4, 2007	1,100,542	1,164,377
5,900,000	Export Development Corporation (US) 5.17% to 5.25% due from Feb. 14, 2007 to Mar. 26, 2007	<u>6,549,585</u>	<u>6,812,262</u>
		<u>7,650,127</u>	<u>7,976,639</u>
	TOTAL INVESTMENT PORTFOLIO	<u>10,424,025</u>	<u>10,846,265</u>
	OTHER ASSETS, LESS LIABILITIES – 16.1%		<u>2,084,065</u>
	TOTAL NET ASSETS – 100.0%		<u>12,930,330</u>

Note: As at December 31, 2006, the Scotia Nasdaq Index Fund held 62 futures contracts to purchase the Nasdaq 100 Index and held 2 futures contracts to purchase the Nasdaq 100 Index E-Mini futures contracts for settlement in March 2007. These futures contracts are financial agreements to purchase the Nasdaq 100 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the Nasdaq 100 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contract Price (\$)	Market Price (\$)	Contractual Market Value (\$)
37	Nasdaq 100 Index Futures Contracts – March 2007	1,809	1,775	7,652,467
25	Futures Contracts – March 2007	1,809	1,775	5,170,585
62				
1	Nasdaq 100 Index E-Mini Futures Contracts – March 2007	1,807	1,775	41,365
1	E-Mini Futures Contracts – March 2007	1,786	1,775	41,365
2			TOTAL	<u>12,905,782</u>

With respect to the above futures contracts, \$1,800,000 of the April 16, 2007 Government of Canada Treasury Bill is held on margin.

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$10,846,265	\$14,816,016
Cash	2,046,408	287,728
Subscriptions receivable	1,101	2,161
Receivable from futures contracts	48,705	–
	<u>12,942,479</u>	<u>15,105,905</u>
LIABILITIES		
Redemptions payable	1,463	5,930
Accrued expenses	10,686	13,356
	<u>12,149</u>	<u>19,286</u>
Net assets	<u>\$12,930,330</u>	<u>\$15,086,619</u>
NET ASSETS PER CLASS		
Class A Units	\$12,926,504	\$15,083,028
Class F Units	\$ 3,826	\$ 3,591
UNITS OUTSTANDING		
Class A Units	2,748,786	3,401,123
Class F Units	788	788
NET ASSET VALUE PER UNIT		
Class A Units	\$ 4.70	\$ 4.43
Class F Units	\$ 4.85	\$ 4.56

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 596,558	\$ 494,027
Futures contracts	334,310	(269,207)
	<u>930,868</u>	<u>224,820</u>
EXPENSES		
Management fees (note 4)	98,790	130,500
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	2,642
Custodian fees	1,495	3,166
Filing fees	14,922	15,861
Legal fees	2,070	1,109
Unitholder reporting	17,188	11,751
Unitholder administration, service fees and GST	78,738	81,497
	<u>228,585</u>	<u>255,840</u>
Absorbed expenses	(100,987)	(86,527)
	<u>127,598</u>	<u>169,313</u>
Net investment income (loss)	803,270	55,507
Net realized gain (loss) on foreign exchange	(321,459)	(899,998)
Change in unrealized appreciation (depreciation) of investments	247,232	373,754
Net gain (loss) on investments	(74,225)	(526,244)
Increase (decrease) in net assets from operations	<u>\$ 729,045</u>	<u>\$(470,737)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 728,810	\$(470,248)
Class F Units	\$ 235	\$ (489)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.26	\$ (0.13)
Class F Units	\$ 0.30	\$ (0.49)

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$15,083,028	\$18,223,675
Class F Units	3,591	13,949
	<u>15,086,619</u>	<u>18,237,624</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	728,810	(470,248)
Class F Units	235	(489)
	<u>729,045</u>	<u>(470,737)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	3,031,000	2,576,215
Payments on redemption		
Class A Units	(5,916,334)	(5,246,614)
Class F Units	–	(9,869)
	<u>(2,885,334)</u>	<u>(2,680,268)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(2,156,524)	(3,140,647)
Class F Units	235	(10,358)
	<u>(2,156,289)</u>	<u>(3,151,005)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	12,926,504	15,083,028
Class F Units	3,826	3,591
	<u>\$12,930,330</u>	<u>\$15,086,619</u>

Scotia Young Investors Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 98.4%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 4.0%				FOREIGN EQUITIES (cont'd)			
Energy – 1.1%				United States (cont'd)			
3,500	Petro-Canada	167,525	167,125	1,000	Wal-Mart Stores Inc.	58,183	53,809
Materials – 1.5%				3,000	Walt Disney Company	128,954	119,794
4,000	Barrick Gold Corporation	108,945	143,400	2,400	Wells Fargo & Company	93,068	99,443
2,000	Cameco Corporation	20,084	94,400	1,500	Wyeth	79,556	88,998
				2,800	Yahoo! Inc.	85,415	83,326
				6,618,083			
				7,166,367			
Industrials – 1.4%				Australia – 1.2%			
4,600	Canadian National Railway Company	118,334	230,322	5,500	BHP Billiton Ltd.	68,818	127,252
TOTAL CANADIAN EQUITIES				2,500	News Corporation Class A	61,410	62,571
				130,228			
				189,823			
FOREIGN EQUITIES – 94.4%				Finland – 1.5%			
United States – 45.1%				10,000	Nokia Oyj	423,912	236,903
1,000	Abercrombie & Fitch Company Class A	69,047	81,133	France – 6.3%			
2,400	Adobe Systems Inc.	104,420	114,991	1,100	Carrefour SA	78,544	77,684
3,000	Advanced Micro Devices Inc.	74,066	71,136	1,200	Groupe Danone	121,667	211,724
1,760	American Express Company	104,416	124,419	660	L'Air Liquide SA	123,356	182,119
1,600	American International Group Inc.	128,811	133,597	1,600	Societe Generale	195,116	315,337
1,800	Amgen Inc.	134,995	143,271	2,600	Total SA ADR	211,884	217,884
1,500	Apple Computer Inc.	82,249	148,284	730,567			
6,600	AT&T Corporation	206,205	274,930	1,004,748			
7,800	Bank of America Corporation	445,606	485,239	Germany – 7.1%			
1,350	Best Buy Company Inc.	85,511	77,377	1,200	Adidas-Salomon AG	65,275	69,598
400	Boeing Company	35,633	41,407	1,000	BASF AG	104,631	113,372
1,800	Caterpillar Inc.	86,800	128,631	3,700	Bayerische Motoren Werke AG	203,926	246,697
1,200	Chevron Corporation	102,055	102,813	900	Deutsche Bank AG	132,015	140,139
8,800	Cisco Systems Inc.	245,514	280,236	800	Deutsche Boerse AG	52,564	171,766
1,000	Colgate-Palmolive Company	61,962	76,018	1,000	RWE AG	130,714	128,325
3,500	Comcast Corporation Class A	144,898	172,631	1,500	Siemens AG	178,426	173,206
5,100	Corning Inc.	152,495	111,185	600	Volkswagen AG	73,321	79,252
2,200	CVS Corporation	78,712	79,236	940,872			
1,400	Electronic Arts Inc.	88,328	82,151	1,122,355			
5,500	Exxon Mobil Corporation	412,797	491,092	Hong Kong – 2.0%			
1,700	Federated Department Stores Inc.	76,613	75,530	10,000	Esprit Holdings Ltd.	87,426	129,366
800	Franklin Resources Inc.	94,222	102,696	16,000	Hutchinson Whampoa Ltd.	182,793	188,853
3,500	GAP Inc.	75,260	79,525	270,219			
6,400	General Electric Company	266,047	277,486	Japan – 10.8%			
80	Google Inc.	35,497	42,924	7,500	Canon Inc.	281,949	494,832
700	Harrah's Entertainment Inc.	55,511	67,470	20	East Japan Railway Co. Ltd.	128,187	155,382
1,900	Hewlett-Packard Company	74,975	91,190	6,000	Honda Motor Co. Ltd.	157,976	276,516
1,500	Home Depot Inc.	63,082	70,192	4,000	KAO Corporation	140,686	125,376
3,800	Intel Corporation	131,843	89,662	8,000	Nomura Holdings Inc.	176,550	176,327
2,300	Johnson & Johnson	169,986	176,931	1,920	Seven & I Holdings Co. Ltd.	82,461	69,637
3,500	JPMorgan Chase & Company	178,552	196,977	7,000	Sharp Corporation	147,299	140,628
1,500	Kellogg Company	84,604	87,495	3,200	Sony Corporation	326,875	159,809
1,500	McGraw-Hill Companies Inc.	79,923	118,886	1,500	Toyota Motor Corporation	81,350	114,617
700	MEMC Electronic Materials Inc.	24,938	31,924	1,523,333			
800	Merrill Lynch & Company Inc.	78,543	86,784	1,713,124			
1,900	Micron Technology Inc.	31,673	30,906	Netherlands – 2.7%			
11,700	Microsoft Corporation	386,645	407,077	6,000	ING Groep NV	317,820	309,733
3,000	Motorola Inc.	77,058	71,870	2,700	Koninklijke Philips Electronic NV – NY Shares	103,574	118,228
1,700	Norfolk Southern Corporation	97,296	99,617	421,394			
1,000	Omnicom Group Inc.	99,324	121,810	427,961			
5,000	Oracle Corporation	81,136	99,858	Sweden – 2.6%			
2,000	Peabody Energy Corporation	97,117	94,172	1,300	Autoliv Inc.	69,810	91,340
3,000	PepsiCo Inc.	212,950	218,650	6,700	Telefonaktiebolaget LM Ericsson ADR	269,618	314,070
6,200	Pfizer Inc.	232,214	187,108	339,428			
2,000	Procter & Gamble Company	113,031	149,775	405,410			
1,000	Qualcomm Inc.	54,838	44,033	Switzerland – 4.7%			
1,200	Starwood Hotels & Resorts Worldwide Inc.	80,833	87,390	600	Nestle SA	195,125	247,696
2,000	Symantec Corporation	48,463	48,589	3,000	Novartis AG	185,684	200,692
2,950	Texas Instruments Inc.	104,318	98,996				
2,000	United Technologies Corporation	121,895	145,697				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Young Investors Fund (Continued)

Number of Shares/ Face		Average Cost (\$)	Market Value (\$)
Value (\$)	Issuer		
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Switzerland (cont'd)			
500	Swatch Group AG Class B	96,360	128,583
2,400	UBS AG	105,588	169,153
		<u>582,757</u>	<u>746,124</u>
United Kingdom – 10.4%			
2,300	Barclays PLC ADR	141,784	155,813
11,000	BP PLC	141,644	143,250
900	BP PLC ADR	74,495	70,367
1,200	BT Group PLC ADR	74,311	83,741
3,500	Cadbury Schweppes PLC ADR	146,784	175,077
2,400	GlaxoSmithKline PLC	100,974	73,733
1,100	GlaxoSmithKline PLC ADR	66,060	67,624
14,153	HSBC Holdings PLC	453,132	480,276
2,600	Royal Bank of Scotland Group PLC	105,570	117,782
8,937	Vodafone Group PLC ADR	370,227	289,285
		<u>1,674,981</u>	<u>1,656,948</u>
	TOTAL FOREIGN EQUITIES	<u>13,655,774</u>	<u>14,987,982</u>
	TOTAL EQUITIES	<u>14,070,662</u>	<u>15,623,229</u>
SHORT-TERM NOTES – 0.8%			
110,000	Canadian Wheat Board Commercial Paper		
(US)	5.16% due Jan. 30, 2007	124,837	127,607
	TOTAL INVESTMENT PORTFOLIO	<u>14,195,499</u>	15,750,836
	OTHER ASSETS, LESS LIABILITIES – 0.8%		<u>131,584</u>
	TOTAL NET ASSETS – 100.0%		<u>15,882,420</u>

Scotia Young Investors Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$15,750,836	\$13,335,611
Cash	139,904	143,924
Accrued investment income	20,583	11,860
Receivable for securities sold	-	82,139
Subscriptions receivable	3,730	-
	<u>15,915,053</u>	<u>13,573,534</u>
LIABILITIES		
Payable for securities purchased	-	248,997
Redemptions payable	-	2,493
Accrued expenses	32,633	28,785
	<u>32,633</u>	<u>280,275</u>
Net assets	<u>\$15,882,420</u>	<u>\$13,293,259</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$15,882,420</u>	<u>\$13,293,259</u>
UNITS OUTSTANDING		
Class A Units	<u>1,720,776</u>	<u>1,639,233</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 9.23</u>	<u>\$ 8.11</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 309,380	\$ 248,986
Interest	29,717	19,083
Securities lending	825	6
Foreign withholding taxes	(34,619)	(32,359)
	<u>305,303</u>	<u>235,716</u>
EXPENSES		
Management fees (note 4)	283,469	256,460
Audit fees	12,423	9,314
Directors'/trustee fees	2,755	2,642
Custodian fees	9,870	6,043
Filing fees	13,838	13,922
Legal fees	3,332	1,872
Unitholder reporting	19,343	12,743
Unitholder administration, service fees and GST	94,988	87,949
	<u>440,018</u>	<u>390,945</u>
Absorbed expenses	(65,711)	(54,962)
	<u>374,307</u>	<u>335,983</u>
Net investment income (loss)	<u>(69,004)</u>	<u>(100,267)</u>
Net realized gain (loss) on investments sold	103,673	(244,397)
Net realized gain (loss) on foreign exchange	(5,673)	(33,616)
Change in unrealized appreciation (depreciation) of investments	<u>1,869,623</u>	<u>685,206</u>
Net gain (loss) on investments	<u>1,967,623</u>	<u>407,193</u>
Increase (decrease) in net assets from operations	<u>\$1,898,619</u>	<u>\$ 306,926</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$1,898,619</u>	<u>\$ 306,926</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 1.13</u>	<u>\$ 0.19</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	<u>\$13,293,259</u>	<u>\$12,432,244</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>1,898,619</u>	<u>306,926</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,206,676	2,142,171
Payments on redemption		
Class A Units	(1,516,134)	(1,588,082)
	<u>690,542</u>	<u>554,089</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>2,589,161</u>	<u>861,015</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	<u>\$15,882,420</u>	<u>\$13,293,259</u>

Scotia International Stock Index Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Face Value (\$)	Issuer	Average Cost (\$)	Market Value (\$)
SHORT-TERM NOTES – 68.2%			
Treasury Bills – 8.5%			
4,700,000	Government of Canada 4.18% to 4.19% due from Jan. 25, 2007 to May 3, 2007	4,615,034	4,650,900
Banker's Acceptance – 26.8%			
2,400,000	Bank of America Corporation 4.32% due Jan. 25, 2007	2,387,856	2,392,657
4,700,000	Canadian Imperial Bank of Commerce 4.30% due from Feb. 8, 2007 to Feb. 21, 2007	4,653,734	4,674,739
2,300,000	Chase Manhattan Bank 4.30% due Jan. 23, 2007	2,283,049	2,293,542
700,000	National Bank of Canada 4.29% due Feb. 14, 2007	693,077	696,253
4,600,000	Royal Bank of Canada 4.30% to 4.31% due from Jan. 3, 2007 to Feb. 8, 2007	4,564,052	4,587,678
		<u>14,581,768</u>	<u>14,644,869</u>
Bearers' Deposit Notes – 12.5%			
2,300,000	Comerica Bank Canada 4.30% due Feb. 22, 2007	2,275,068	2,285,523
4,600,000	Toronto-Dominion Bank 4.30% due Jan. 29, 2007	4,551,194	4,583,910
		<u>6,826,262</u>	<u>6,869,433</u>
Commercial Paper – 20.4%			
2,300,000	Caterpillar Financial Services Ltd. 4.30% due Jan. 29, 2007	2,287,074	2,291,921
2,400,000	CDP Financial Inc. 4.34% due Mar. 26, 2007	2,375,136	2,375,701
1,000,000	Enbridge Gas Distribution Inc. 4.32% due Jan. 31, 2007	994,230	996,232
2,000,000	General Electric Capital Canada Funding Company 4.32% due Jan. 11, 2007	1,978,920	1,997,189
2,300,000	Key Nova Scotia Funding Company 4.31% due Feb. 28, 2007	2,275,804	2,283,869
1,200,000	US Bank National Association Canada Branch 4.32% due Jan. 24, 2007	1,196,040	1,196,464
		<u>11,107,204</u>	<u>11,141,376</u>
SHORT-TERM BONDS – 24.3%			
4,700,000	Bank of Montreal 4.40% due Sep. 14, 2007	4,702,203	4,702,580
2,200,000	Honda Canada Finance Inc. (Floating Rate) 4.42% due May 14, 2007	2,200,770	2,200,770
4,000,000	National Bank of Canada 4.35% due Oct. 25, 2007	4,000,000	4,000,000
2,400,000	Wells Fargo Financial Canada Corporation (Floating Rate) 4.43% due Dec. 10, 2007	2,401,977	2,401,978
	TOTAL INVESTMENT PORTFOLIO	<u>50,435,218</u>	<u>50,611,906</u>
	OTHER ASSETS, LESS LIABILITIES – 7.5%		<u>4,079,094</u>
	TOTAL NET ASSETS – 100.0%		<u>54,691,000</u>

INDEX FUTURES CONTRACTS

Number of Contracts	Issuer/Country Index	Settlement Date	Contract Price \$	Contractual Market Value in Canadian \$
	EUROPE			
133	DJ EURO STOXX 50	March 2007	4,056	8,501,415
	FRANCE			
32	CAC 40 Index	March 2007	5,482	2,752,037
	GERMANY			
8	DAX Index	March 2007	6,528	2,045,853
	ITALY			
5	S&P/MIB Index	March 2007	41,260	1,605,122
	NETHERLANDS			
9	Amsterdam Index	January 2007	482	1,374,619
	SPAIN			
4	IBEX 35 Plus Index	January 2007	14,200	866,993
	SWEDEN			
97	OMX Index	January 2007	1,146	1,906,579
	SWITZERLAND			
46	Swiss Market Index	March 2007	8,605	3,857,174
	UNITED KINGDOM			
100	FTSE 100 Index	March 2007	6,185	14,186,599
	AUSTRALIA			
25	SPI 200	March 2007	5,575	3,241,459
	HONG KONG			
8	Hang Seng Index	March 2007	19,310	1,199,597
	JAPAN			
79	Topix Index	March 2007	1,603	13,010,918
	TOTAL			<u>54,548,365</u>

CURRENCY FUTURES CONTRACTS

Number of Contracts		Settlement Date	Contract Price \$	Contractual Market Value in Canadian \$
28	Australian \$ against US\$	March 2007	78	2,566,335
89	British Pound against US\$	March 2007	195	12,685,471
96	Japanese Yen against US\$	March 2007	87	11,862,693
31	Swiss Franc against US\$	March 2007	84	3,726,812
106	Euro against US\$	March 2007	1.3	20,434,970
(513)	Canadian \$ against US\$	March 2007	87	(51,418,354)
	TOTAL			<u>(142,073)</u>

The above futures and currency futures contracts are financial agreements to purchase the indexes and foreign currencies at a contracted price on a specific future date. However, the Fund does not intend to purchase the indexes and foreign currencies on settlement. Rather, it intends to close out each futures contract and currency futures contract before settlement by entering into equal, but offsetting futures contracts and currency futures contracts.

With respect to the above futures contracts, \$3,200,000 of the May 3, 2007 Government of Canada Treasury Bill is held on margin.

Scotia International Stock Index Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$50,611,906	\$39,748,525
Cash	347,494	74,697
Accrued investment income	54,218	86,187
Subscriptions receivable	58,764	203,970
Receivable from futures contracts	3,337,909	4,734,658
Receivable from currency futures contracts	359,898	—
	<u>54,770,189</u>	<u>44,848,037</u>
LIABILITIES		
Distributions payable	42	—
Redemptions payable	44,616	4,962
Accrued expenses	34,531	32,833
	<u>79,189</u>	<u>37,795</u>
Net assets	<u>\$54,691,000</u>	<u>\$44,810,242</u>
NET ASSETS PER CLASS		
Class A Units	\$35,143,897	\$31,792,076
Class I Units	\$19,547,103	\$13,018,166
UNITS OUTSTANDING		
Class A Units	3,586,473	3,918,731
Class I Units	1,926,509	1,565,381
NET ASSET VALUE PER UNIT		
Class A Units	\$ 9.80	\$ 8.11
Class I Units	\$ 10.15	\$ 8.32

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Interest	\$ 1,841,705	\$ 1,477,612
Futures contracts	5,467,773	12,580,074
Securities lending	135	162
	<u>7,309,613</u>	<u>14,057,848</u>
EXPENSES		
Management fees (note 4)	250,683	339,587
Audit fees	14,733	13,774
Directors'/trustee fees	2,755	2,642
Custodian fees	5,540	5,937
Filing fees	15,242	15,394
Legal fees	3,628	1,110
Unitholder reporting	31,816	52,976
Unitholder administration, service fees and GST	197,148	253,854
	<u>521,545</u>	<u>685,274</u>
Absorbed expenses	(130,870)	(184,542)
	<u>390,675</u>	<u>500,732</u>
Net investment income (loss)	<u>6,918,938</u>	<u>13,557,116</u>
Net realized gain (loss) on investments sold	3,182,812	(9,086,904)
Net realized gain (loss) on foreign exchange	25,664	(908,739)
Change in unrealized appreciation (depreciation) of investments	1,325	4,875
Change in unrealized appreciation (depreciation) of currency futures	185,074	908,795
Net gain (loss) on investments	<u>3,394,875</u>	<u>(9,081,973)</u>
Increase (decrease) in net assets from operations	<u>\$10,313,813</u>	<u>\$ 4,475,143</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 6,638,723	\$ 3,212,903
Class I Units	\$ 3,675,090	\$ 1,262,240
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.85	\$ 0.58
Class I Units	\$ 1.98	\$ 0.73

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS — BEGINNING OF PERIOD		
Class A Units	\$31,792,076	\$ 47,106,236
Class I Units	13,018,166	7,830,828
	<u>44,810,242</u>	<u>54,937,064</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,638,723	3,212,903
Class I Units	3,675,090	1,262,240
	<u>10,313,813</u>	<u>4,475,143</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(559,047)	—
Class I Units	(310,185)	—
	<u>(869,232)</u>	<u>—</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	5,999,161	5,557,218
Class I Units	4,435,657	19,482,002
Reinvested distributions		
Class A Units	558,748	—
Class I Units	310,185	—
Payments on redemption		
Class A Units	(9,285,764)	(24,084,281)
Class I Units	(1,581,810)	(15,556,904)
	<u>436,177</u>	<u>(14,601,965)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	3,351,821	(15,314,160)
Class I Units	6,528,937	5,187,338
	<u>9,880,758</u>	<u>(10,126,822)</u>
TOTAL NET ASSETS — END OF PERIOD		
Class A Units	35,143,897	31,792,076
Class I Units	19,547,103	13,018,166
	<u>\$54,691,000</u>	<u>\$ 44,810,242</u>

The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES – 98.4%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 6.4%				FOREIGN EQUITIES (cont'd)			
Energy – 1.6%				United States (cont'd)			
20,100	Canadian Natural Resources Ltd.	1,116,311	1,249,215	16,100	General Motors Corporation Series C 6.25% Jul. 15, 2033	359,074	426,222
4,100	EnCana Corporation	214,873	219,518	1,400	Google Inc.	665,835	751,173
4,100	Suncor Energy Inc.	280,668	376,339	7,187	Hanesbrands Inc.	163,435	197,801
		<u>1,611,852</u>	<u>1,845,072</u>	5,900	Hewlett-Packard Company	154,267	283,169
Materials – 4.0%				20,200	Hudson City Bancorp Inc.	269,489	326,695
36,200	Abitibi-Consolidated Inc.	278,180	108,238	8,900	Huntsman Corporation	187,323	196,725
18,700	Alcan Inc.	961,451	1,061,785	11,100	Illinois Tool Works Inc.	603,948	597,410
19,800	Barrick Gold Corporation	670,766	708,280	6,700	Imclone Systems Inc.	363,196	208,911
25,400	Cameco Corporation	468,445	1,198,880	10,200	Intel Corporation	302,241	240,673
19,500	Methanex Corporation	448,624	622,050	3,700	International Business Machines Corporation	350,404	418,838
6,100	Potash Corporation of Saskatchewan Inc.	627,830	1,018,700	800	International Paper Company	46,964	31,787
		<u>3,455,296</u>	<u>4,717,933</u>	5,400	Jabil Circuit Inc.	163,600	154,471
Consumer Discretionary – 0.2%				10,176	JPMorgan Chase & Company	510,944	572,698
7,200	Rogers Communications Inc. Class B	163,825	249,840	20,100	KLA-Tencor Corporation	1,468,501	1,165,173
Financials – 0.5%				7,400	Kraft Foods Inc. Class A	319,394	319,823
12,400	IGM Financial Inc.	421,447	608,840	3,500	Las Vegas Sands Corporation	263,665	364,918
Telecommunication Services – 0.1%				1,900	Lennar Corporation Class A	87,572	116,140
2,100	Telus Corporation	65,142	112,392	5,600	Lincare Holdings Inc.	238,287	259,961
		<u>5,717,562</u>	<u>7,534,077</u>	5,400	Linear Technology Corporation	293,025	190,776
TOTAL CANADIAN EQUITIES				18,700	Lowe's Companies Inc.	556,174	678,736
FOREIGN EQUITIES – 92.0%				7,300	Marsh & McLennan Companies Inc.	234,548	260,793
United States – 39.4%				5,700	McDonald's Corporation	218,188	294,425
1,200	Advanced Micro Devices Inc.	48,765	28,454	5,400	Medtronic Inc.	364,350	336,690
3,700	Affiliated Computer Services Inc.	246,452	210,561	2,400	Merrill Lynch & Company Inc.	229,405	260,353
5,200	AFLAC Inc.	252,682	278,716	38,800	Microsoft Corporation	1,627,509	1,349,966
3,000	Allergan Inc.	279,064	418,564	11,700	Motorola Inc.	306,826	280,292
23,600	Altera Corporation	630,152	541,176	4,300	PartnerRe Ltd.	330,729	355,887
2,100	Altria Group Inc.	159,432	209,995	5,100	Paychex Inc.	243,676	234,968
5,000	Amazon.com Inc.	222,779	229,894	3,900	Pepsi Bottling Group Inc.	135,364	140,464
9,300	American International Group Inc.	1,030,282	776,535	5,900	PepsiCo Inc.	411,311	430,012
7,100	American Standard Companies Inc.	325,383	379,314	21,300	Sandisk Corporation	1,313,258	1,067,953
6,800	AmeriCredit Corporation	197,031	199,431	11,900	Sara Lee Corporation	192,683	236,136
2,800	Amgen Inc.	241,116	222,866	15,300	Schlumberger Ltd.	652,328	1,125,991
4,800	Anheuser-Busch Companies Inc.	305,333	275,174	17,400	Seagate Technology	463,352	537,275
61,100	Applied Materials Inc.	1,581,259	1,313,527	18,100	SLM Corporation	887,048	1,028,567
6,000	Arch Coal Inc.	228,288	209,946	38,600	Sprint Nextel Corporation	876,886	849,612
5,800	AT&T Corporation	222,451	241,605	3,700	Starwood Hotels & Resorts Worldwide Inc.	176,729	269,453
6,300	Baker Hughes Inc.	416,824	548,062	21,500	Sysco Corporation	933,210	920,906
10,400	Bank of America Corporation	555,027	646,986	6,900	Target Corporation	425,197	458,676
9,200	Baxter International Inc.	422,130	497,294	18,500	Time Warner Inc.	442,646	469,495
3,800	Beazer Homes USA Inc.	290,681	208,149	2,200	Transocean Inc.	79,526	207,357
7	Berkshire Hathaway Inc. Class A	825,232	897,124	7,000	United Parcel Service Inc. Class B	608,136	611,568
4,800	Best Buy Company Inc.	298,566	275,118	9,500	United Technologies Corporation	601,075	692,060
4,600	Capital One Financial Corporation	426,658	411,750	9,700	UnitedHealth Group Inc.	537,061	607,281
58,000	Cisco Systems Inc.	1,317,625	1,847,009	14,600	Wachovia Corporation	904,512	968,831
3,700	Citigroup Inc.	211,585	240,137	22,500	Walt Disney Company	711,125	898,458
4,800	Coca-Cola Company	251,188	269,861	20,800	Washington Mutual Inc.	1,060,713	1,102,505
7,000	Comcast Corporation Class A	323,336	345,261	4,000	WellPoint Inc.	292,662	366,759
20,600	Corning Inc.	483,443	449,099	9,200	Wells Fargo & Company	356,352	381,198
8,500	Danaher Corporation	567,908	717,462	32,100	Xilinx Inc.	1,145,606	890,565
7,700	Dell Inc.	188,711	225,109	11,000	Yahoo! Inc.	389,260	327,352
7,700	Dow Chemical Company	319,809	357,985			<u>45,565,269</u>	<u>46,275,551</u>
13,500	eBay Inc.	585,187	473,008	Australia – 2.6%			
3,700	Exxon Mobil Corporation	260,199	330,371	39,000	Amcor Ltd.	315,137	259,874
20,000	Fannie Mae	1,723,770	1,384,027	5,654	Billabong International Ltd.	88,241	90,426
1,100	FedEx Corporation	138,922	139,221	22,914	Boral Ltd.	153,809	160,544
4,500	Fifth Third Bancorp	214,051	214,613	43,300	Coca-Cola Amatil Ltd.	284,029	308,783
6,600	Fluor Corporation	359,029	627,916	4,206	Insurance Australia Group Ltd.	20,891	24,482
29,500	Forest Laboratories Inc.	2,233,726	1,739,298	4,348	Macquarie Bank Ltd.	247,971	313,986
9,600	Freddie Mac	814,670	759,526	12,236	Promina Group Ltd.	47,351	77,586
34,800	General Electric Company	1,594,750	1,508,830	9,936	Publishing & Broadcasting Ltd.	124,555	194,529
3,500	Getty Images Inc.	253,164	174,629	6,600	QBE Insurance Group Ltd.	112,053	175,201
				17,580	Rinker Group Ltd.	161,428	291,008

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Australia – 0.9%				Ireland – 0.9%			
50,800	Telstra Corporation Ltd.	159,858	193,270	11,200	CRH PLC	320,349	541,208
24,842	Toll Holdings Ltd.	300,409	415,664	14,000	Depfa Bank PLC	260,993	292,504
6,200	Woodside Petroleum Ltd.	236,981	216,703	2,300	Ryanair Holding PLC ADR	166,444	218,417
12,899	Woolworths Ltd.	220,109	282,376			<u>747,786</u>	<u>1,052,129</u>
		<u>2,472,822</u>	<u>3,004,432</u>				
Austria – 0.5%				Israel – 0.5%			
3,800	Erste Bank der oesterreichischen Sparkassen AG	183,982	338,148	17,300	Teva Pharmaceutical Industries Ltd. ADR	584,397	626,511
1,400	Raiffeisen International Bank Holding AG	90,182	248,627				
		<u>274,164</u>	<u>586,775</u>	Italy – 0.2%			
Bermuda – 0.6%				Japan – 13.5%			
13,600	Seadrill Ltd.	209,641	266,619	3,100	Advantest Corporation	197,113	207,396
9,000	Weatherford International Ltd.	247,992	438,244	14,600	Aeon Co. Ltd.	367,677	366,242
		<u>457,633</u>	<u>704,863</u>	29,000	Bank of Yokohama Ltd.	168,122	264,959
Cayman Islands – 0.2%				6,950	Canon Inc.	310,596	458,544
2,700	XL Capital Ltd. Class A	211,080	226,578	16,000	Daimaru Inc.	179,773	252,957
China – 0.0%				6,000	Daiewa House Industry Co. Ltd.	121,260	121,329
37,000	Industrial and Commercial Bank of China Class H	16,634	26,698	5,400	Fanuc Ltd.	437,480	616,914
Finland – 0.7%				34,000	Hankyu Holdings Inc.	200,033	225,676
9,100	Nokia Oyj	214,798	215,582	1,700	Idemitsu Kosan Co. Ltd.	186,975	199,353
9,300	Stora Enso Oyj Class R	169,342	172,747	5,000	Millea Holdings Inc.	184,888	204,726
13,500	UPM-Kymmene Oyj	371,617	395,278	18,700	Mitsubishi Corporation	315,602	408,847
		<u>755,757</u>	<u>783,607</u>	11,000	Mitsubishi Estate Co. Ltd.	175,400	332,302
France – 6.1%				46,000	Mitsubishi Heavy Industries Ltd.	273,926	243,960
5,300	Axa	217,497	248,936	29	Mizuho Financial Group Inc.	273,035	241,640
5,620	BNP Paribas SA	418,864	711,079	7,000	Nikon Corporation	139,675	177,255
9,268	Bouygues Guyancourt	524,704	692,791	700	Nintendo Co. Ltd.	100,812	211,413
3,700	Dassault Systemes SA	225,180	227,997	8,000	Nippon Electric Glass Co. Ltd.	143,786	196,093
1,463	L'Air Liquide SA	306,139	403,697	36	Nippon Telegraph and Telephone Corporation	186,010	207,244
2,600	L'Oreal SA	266,441	303,261	24,800	Nissan Motor Co. Ltd.	342,644	350,957
1,900	Lafarge SA	242,462	329,127	3,500	Nitto Denko Corporation	282,588	203,237
2,100	Renault SA	231,576	293,678	1,200	Okinawa Electric Power Co. Inc.	79,443	86,265
17,700	Sanofi-Aventis SA	1,732,414	1,898,557	1,780	Orix Corporation	557,329	601,683
4,500	Schneider Electric SA	402,493	579,767	2,300	Rohm Co. Ltd.	354,689	267,066
2,730	Societe Generale	341,045	538,039	1,900	Shimamura Co. Ltd.	219,082	253,247
3,400	Total SA	257,780	285,588	1,400	SMC Corporation	212,404	229,662
6,800	Veolia Environment	336,040	610,534	57,400	Softbank Corporation	1,162,356	1,304,032
		<u>5,502,635</u>	<u>7,123,051</u>	7,000	Sompo Japan Insurance Inc.	73,538	99,845
Germany – 3.6%				8,000	Sumitomo Chemical Co. Ltd.	72,436	72,421
1,900	Allianz AG Holdings	397,874	452,043	32,000	Sumitomo Corporation	431,336	555,798
2,800	Bayer AG	113,112	174,981	153	Sumitomo Mitsui Financial Group Inc.	1,255,743	1,818,269
5,400	Bayerische Motoren Werke AG	320,315	360,045	13,000	Sumitomo Realty And Development Co. Ltd.	225,277	487,040
6,000	Commerzbank AG	241,235	265,238	25,200	Suzuki Motor Corporation	503,263	829,944
7,800	DaimlerChrysler AG	508,930	562,593	6,300	Takeda Pharmaceutical Co. Ltd.	347,139	504,281
900	Deutsche Bank AG	113,460	140,139	13,000	Tokuyama Corporation	221,355	229,139
8,700	Deutsche Post AG	248,569	306,150	6,400	Tokyo Electric Power Co. Ltd.	189,429	241,342
4,800	SAP AG	257,282	296,955	3,000	Tokyo Electron Ltd.	246,519	276,001
2,500	SAP AG ADR	132,676	154,681	3,000	Tokyo Gas Co. Ltd.	17,107	18,592
5,700	Siemens AG	545,849	658,182	60,000	Toshiba Corporation	417,351	455,618
4,400	Volkswagen AG	281,047	581,180	42,000	Toto Ltd.	394,368	490,806
3,100	Volkswagen AG Non-voting	158,008	269,046	8,500	Trend Micro Inc.	355,762	290,879
		<u>3,318,357</u>	<u>4,221,233</u>	9,900	Ushio Inc.	238,607	237,390
Greece – 0.2%				520	Yahoo Japan Corporation	334,227	241,714
5,510	OPAP SA	200,487	247,999	3,980	Yamada Denki Co. Ltd.	416,824	394,144
Hong Kong – 1.6%				24,000	Yamato Holdings Co. Ltd.	448,248	430,562
35,800	Bank of East Asia Ltd.	165,295	235,315			<u>13,311,227</u>	<u>15,906,784</u>
94,500	BOC Hong Kong Holdings Ltd.	199,939	297,273	Mexico – 1.1%			
13,500	Esprit Holdings Ltd.	125,427	174,644	20,700	America Movil SA de CV Series L ADR	350,367	1,090,692
63,000	Hang Lung Properties Ltd.	149,138	184,288	11,600	America Telecom SA de CV ADR	50,068	239,529
47,000	Melco International Development Ltd.	123,201	129,157			<u>400,435</u>	<u>1,330,221</u>
22,000	Sun Hung Kai Properties Ltd.	286,173	293,306	Netherlands – 1.4%			
42,000	Swire Pacific Ltd. Class A	486,158	523,972	14,100	ASML Holding NV	379,512	406,063
		<u>1,535,331</u>	<u>1,837,955</u>	5,925	Heineken NV	245,861	327,939
				17,800	ING Groep NV	754,471	918,874
				24	Koninklijke Numico NV	913	1,498
						<u>1,380,757</u>	<u>1,654,374</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Norway – 0.4%				Taiwan – 0.2%			
11,355	Norske Skogindustrier ASA	244,563	227,903	20,084	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	235,656	255,783
11,900	Telenor ASA	224,681	259,015	United Kingdom – 9.4%			
				29,600	AstraZeneca PLC	1,915,207	1,850,711
				47,600	BAE Systems PLC	413,983	460,142
				15,400	Billiton PLC	122,912	331,631
				47,300	HBOS PLC	827,490	1,219,704
				51,000	Kingfisher PLC	234,908	277,124
				21,000	Reed Elsevier PLC	239,408	268,565
				3,700	Rio Tinto PLC	222,289	229,138
				31,200	Royal Bank of Scotland Group PLC	1,155,628	1,413,383
				55,000	Royal Dutch Shell PLC Class A	1,834,768	2,259,741
				9,800	Sabmiller PLC	215,206	262,042
				9,500	Scottish & Southern Energy PLC	234,793	336,726
				21,800	Smith & Nephew PLC	227,596	265,123
				22,100	Tesco PLC	163,218	203,561
				427,762	Vodafone Group PLC	1,500,604	1,375,402
				19,200	Yell Group PLC	195,285	249,740
						<u>9,503,295</u>	<u>11,002,733</u>
				TOTAL FOREIGN EQUITIES		<u>94,840,539</u>	<u>108,015,373</u>
				TOTAL INVESTMENT PORTFOLIO		<u>100,558,101</u>	<u>115,549,450</u>
				OTHER ASSETS, LESS LIABILITIES – 1.6%			<u>1,860,954</u>
				TOTAL NET ASSETS – 100.0%			<u>117,410,404</u>
Sweden – 0.6%				Switzerland – 5.0%			
18,200	Eniro AB	230,501	279,453	9,037	Compagnie Financiere Richemont AG	319,118	611,032
7,500	Svenska Handelsbanken AB Class A	225,700	263,777	6,594	Holcim Ltd.	449,148	701,530
19,900	TeliaSonera AB	175,964	189,977	124	Lindt & Spruengli AG	143,818	355,778
				2,046	Nestle SA	680,315	844,644
				27,700	Novartis AG	1,627,555	1,853,060
				1,083	Petroplus Holdings AG	66,041	76,564
				1,717	Roche Holdings AG – Genussscheine	296,793	357,621
				7,669	Swiss Re	701,658	756,393
				742	Swisscom AG	279,998	326,881
						<u>4,564,444</u>	<u>5,883,503</u>

COMMITMENTS – FORWARD CONTRACT

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/ (Depreciation)
Jan. 11, 2007	Japanese Yen	32,237,896	Euro	218,325	315,769	(19,941)

The currency forward contract outstanding at December 31, 2006 is placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Global Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$115,549,450	\$119,100,211
Cash	1,741,509	812,492
Accrued investment income	369,891	408,070
Receivable for securities sold	229,005	616,030
Subscriptions receivable	530	52,401
	<u>117,890,385</u>	<u>120,989,204</u>
LIABILITIES		
Payable for securities purchased	211,358	212,952
Redemptions payable	11,591	50,270
Accrued expenses	237,091	254,226
Payable for currency forward contracts	19,941	18,839
	<u>479,981</u>	<u>536,287</u>
Net assets	<u>\$117,410,404</u>	<u>\$120,452,917</u>
NET ASSETS PER CLASS		
Class A Units	<u>\$117,410,404</u>	<u>\$120,452,917</u>
UNITS OUTSTANDING		
Class A Units	<u>3,247,149</u>	<u>3,737,203</u>
NET ASSET VALUE PER UNIT		
Class A Units	<u>\$ 36.16</u>	<u>\$ 32.23</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 2,286,764	\$2,868,091
Interest	58,438	44,070
Securities lending	10,916	721
Foreign withholding taxes	(276,711)	(355,602)
	<u>2,079,407</u>	<u>2,557,280</u>
EXPENSES		
Management fees (note 4)	2,279,665	2,558,477
Audit fees	19,180	15,558
Directors'/trustee fees	2,755	2,642
Custodian fees	118,949	124,315
Filing fees	17,327	18,364
Legal fees	12,328	2,282
Unitholder reporting	112,996	151,079
Unitholder administration, service fees and GST	667,824	737,038
	<u>3,231,024</u>	<u>3,609,755</u>
Absorbed expenses	(296,598)	(324,670)
	<u>2,934,426</u>	<u>3,285,085</u>
Net investment income (loss)	<u>(855,019)</u>	<u>(727,805)</u>
Net realized gain (loss) on investments sold	3,496,453	960,047
Net realized gain (loss) on foreign exchange	(12,770)	(62,019)
Change in unrealized appreciation (depreciation) of investments	10,496,713	7,117,579
Change in unrealized appreciation (depreciation) of currency forward	(15,194)	(30,070)
Net gain (loss) on investments	<u>13,965,202</u>	<u>7,985,537</u>
Increase (decrease) in net assets from operations	<u>\$13,110,183</u>	<u>\$7,257,732</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>\$13,110,183</u>	<u>\$7,257,732</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	<u>\$ 3.78</u>	<u>\$ 1.74</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	<u>\$120,452,917</u>	<u>\$137,925,514</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	<u>13,110,183</u>	<u>7,257,732</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	9,598,824	12,542,319
Payments on redemption		
Class A Units	(25,751,520)	(37,272,648)
	<u>(16,152,696)</u>	<u>(24,730,329)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	<u>(3,042,513)</u>	<u>(17,472,597)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	<u>\$117,410,404</u>	<u>\$120,452,917</u>

The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 95.4%				FOREIGN EQUITIES (cont'd)			
Australia – 3.3%				Germany (cont'd)			
97,500	Coles Group Ltd.	1,166,632	1,252,410	17,700	TUI AG	418,215	411,891
161,200	Macquarie Airports	446,160	533,421			<u>17,567,294</u>	<u>20,538,962</u>
15,701	Macquarie Bank Ltd.	1,047,771	1,133,829	Greece – 0.0%			
236,100	Macquarie Infrastructure Group	747,800	748,938	2,832	OPAP SA	126,178	127,465
38,100	National Australia Bank Ltd.	1,284,573	1,410,822	Hong Kong – 2.3%			
150,942	QBE Insurance Group Ltd.	2,954,946	4,006,844	1,017,000	China Construction Bank Class H	562,356	754,879
67,200	Zinifex Ltd.	1,016,575	1,157,209	79,000	China Mobile (Hong Kong) Ltd.	722,853	795,702
		<u>8,664,457</u>	<u>10,243,473</u>	182,000	China Netcom Group Corporation	374,192	568,152
Austria – 0.8%				158,500	Esprit Holdings Ltd.	1,685,414	2,050,455
18,700	OMV AG	1,179,785	1,230,950	442,000	Li & Fung Ltd.	1,254,429	1,597,243
17,900	Voest Alpine AG	635,592	1,177,009	290,000	PetroChina Co. Ltd. Class H	384,658	476,060
		<u>1,815,377</u>	<u>2,407,959</u>	381,068	Sino Land Co. Ltd.	645,501	1,030,859
Belgium – 0.8%						<u>5,629,403</u>	<u>7,273,350</u>
41,600	Fortis	1,778,490	2,060,323	Hungary – 0.1%			
3,800	KBC Groep SA NV	365,634	541,831	1,780	Mol Magyar Olaj-ES Gazipari GDR	217,367	235,406
		<u>2,144,124</u>	<u>2,602,154</u>	India – 0.1%			
Brazil – 1.8%				4,480	State Bank of India GDR	250,786	388,376
6,700	Banco Do Brasil SA	175,171	231,881	Ireland – 2.3%			
14,300	Companhia de Bebidas das Americas Pref. ADR	729,511	813,125	172,365	Anglo Irish Bank Corporation PLC	3,729,799	4,146,796
54,700	Companhia Vale do Rio Doce SA ADR	1,604,287	1,895,526	44,430	C&C Group PLC	823,208	918,568
22,550	Gerdau SA ADR	306,868	420,405	44,491	CRH PLC	1,712,398	2,149,901
8,600	Petroleo Brasileiro SA ADR	877,416	1,032,036			<u>6,265,405</u>	<u>7,215,265</u>
4,200	Petroleo Brasileiro SA ADR Non-Voting	282,454	453,954	Italy – 3.7%			
4,700	Unibanco de Bancos Brasileiros SA GDR	396,758	509,091	16,300	Banco Popolare di Verona e Novara Scrl	535,995	543,562
4,900	Usinas Siderurgicas de Minas Gerais SA Pref. A	186,134	213,719	17,700	Buzzi Unicem SpA	349,347	584,973
		<u>4,558,599</u>	<u>5,569,737</u>	130,756	Eni SpA	4,621,317	5,124,518
China – 0.6%				14,900	Fondiarria-Sai SpA	712,010	830,332
550,000	China Petroleum & Chemical Corporation	458,197	593,612	6,000	Fondiarria-Sai SpA – RNC	215,933	247,761
435,500	China Shenhua Energy Co. Ltd. Class H	819,196	1,216,152	22,100	Italcementi SpA	548,243	725,026
302,000	China Telecom Corporation Ltd. Class H	114,075	191,538	327,339	UniCredito Italiano SpA	3,003,599	3,332,914
		<u>1,391,468</u>	<u>2,001,302</u>			<u>9,986,444</u>	<u>11,389,086</u>
Denmark – 0.3%				Japan – 22.2%			
7,300	Carlsberg A/S Series B	557,294	842,724	31,500	Alps Electric Co. Ltd.	603,357	398,444
Finland – 0.2%				68,150	Canon Inc.	3,592,313	4,496,372
23,800	Sampo Oyj Series A	482,374	739,531	76,000	Cosmo Oil Co. Ltd.	386,436	360,675
France – 10.9%				29,600	Daiichi Sankyo Co. Ltd.	1,031,913	1,077,885
13,000	Air France	559,514	637,278	90,000	Daiwa House Industry Co. Ltd.	1,799,000	1,819,934
47,973	BNP Paribas SA	5,155,108	6,069,857	39,600	Denso Corporation	1,731,336	1,832,018
44,542	Capgemini SA	2,562,219	3,245,408	77	East Japan Railway Co. Ltd.	583,675	598,220
9,000	Compagnie Generale des Etablissements Michelin Class B	757,821	1,002,972	18,800	Edion Corporation	447,153	325,289
34,630	Credit Agricole SA	1,393,358	1,690,471	34,000	Hitachi Ltd.	256,129	247,319
11,719	Essilor International SA	1,347,996	1,464,188	54,400	Honda Motor Co. Ltd.	2,021,507	2,507,082
29,200	France Telecom SA	776,577	936,715	58,600	Hoya Corporation	2,518,963	2,665,123
7,824	Groupe Danone	1,241,887	1,380,442	206,000	Isuzu Motors Ltd.	924,948	1,120,184
21,900	Renault SA	2,569,458	3,062,644	402	Japan Tobacco Inc.	1,673,661	2,259,178
22,900	Sanofi-Aventis SA	2,381,354	2,456,325	46,100	JFE Holdings Inc.	1,924,541	2,752,740
11,200	Societe Generale	1,788,869	2,207,341	18,700	Leopalace21 Corporation	728,412	694,009
63,365	Societe Television Francaise 1	2,460,938	2,737,425	41,700	Mitsubishi Corporation	934,047	911,708
38,500	Total SA	2,983,672	3,233,859	232	Mitsubishi UFJ Financial Group Inc.	3,493,012	3,362,731
24,512	Vinci SA	2,930,369	3,637,694	242,000	Mitsui & Co. Ltd.	3,806,779	4,196,209
		<u>28,909,140</u>	<u>33,762,619</u>	80,000	Mitsui Chemicals Inc.	629,271	715,027
Germany – 6.6%				93,000	Mitsui O.S.K. Lines Ltd.	816,351	1,070,166
3,400	Allianz AG Holdings	625,970	808,919	102,000	NGK Insulators Ltd.	1,694,544	1,838,319
19,600	BASF AG	2,080,639	2,222,101	139,000	Nippon Mining Holdings Inc.	1,136,104	1,165,177
39,912	Bayer AG	2,252,581	2,494,223	290	Nippon Telegraph and Telephone Corporation	1,586,065	1,669,467
12,800	Continental AG	1,326,811	1,733,365	100,400	Nissan Motor Co. Ltd.	1,353,966	1,420,811
40,800	Deutsche Lufthansa AG	828,697	1,307,463	49,100	Nitto Denko Corporation	3,449,201	2,851,125
79,200	Deutsche Telekom AG	1,614,114	1,684,787	121,700	Nomura Holdings Inc.	2,629,347	2,682,374
15,300	E.ON AG	1,973,681	2,417,985	112,000	Oki Electric Industry Co. Ltd.	417,800	288,950
4,100	Epcos AG	60,629	95,434	16,970	Orix Corporation	4,890,730	5,736,271
10,013	Merck KGAA	1,229,900	1,208,793	9,000	Rengo Co. Ltd.	60,943	66,863
15,950	Muenchener Rueckver AG	2,648,715	3,193,035	83,000	Sharp Corporation	1,636,589	1,667,447
23,074	RWE AG	2,507,342	2,960,966	9,000	Sony Corporation	457,675	449,464
				89,000	Sumitomo Heavy Industries Ltd.	763,859	1,090,785
				403	Sumitomo Mitsui Financial Group Inc.	4,706,308	4,789,297
				39,600	Tokyo Electric Power Co. Ltd.	1,282,157	1,493,303

EQUITY FUNDS

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
Japan (cont'd)				Switzerland (cont'd)			
169,000	Toshiba Corporation	1,236,761	1,283,323	25,216	Roche Holdings AG – Genussscheine	4,661,278	5,252,047
89,800	Toyota Motor Corporation	5,627,949	6,861,751	21,416	Swiss Re	1,971,955	2,112,257
		<u>62,832,802</u>	<u>68,765,040</u>	86,687	UBS AG	5,406,551	6,109,752
						<u>31,544,974</u>	<u>36,321,542</u>
Luxembourg – 0.5%				Taiwan – 0.9%			
26,067	JP Morgan International Derivatives Ltd. Warrants on Infosys Technologies Ltd. Aug. 21, 2009	1,395,756	1,538,440	19,673	AU Optronics Corporation ADR	327,774	316,567
				19,105	China Steel Corporation GDR	441,888	472,605
Mexico – 1.3%				16,300	Compal Electronics Inc. GDR	82,274	86,607
52,500	America Movil SA de CV Series L ADR	2,149,523	2,766,249	13,317	Hon Hai Precision Industry Co. Ltd. GDR	136,829	220,341
40,400	Grupo Televisa SA ADR	1,172,880	1,271,474	56,538	JP Morgan International Derivatives Ltd. Warrants on Foxconn Technology Co. Ltd. Aug. 22, 2008	460,356	789,353
		<u>3,322,403</u>	<u>4,037,723</u>	24,885	Quanta Computer Inc. GDR	234,676	246,467
Netherlands – 3.3%				34,200	Siliconware Precision Industries Co. ADR	244,828	313,220
41,977	ABN AMRO Holding NV	1,389,153	1,568,664	21,938	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	222,202	279,395
43,180	European Aeronautic Defence & Space Company	1,682,147	1,731,223	23,538	United Microelectronics Corporation ADR	97,505	95,719
75,800	ING Groep NV	3,196,563	3,912,957			<u>2,248,332</u>	<u>2,820,274</u>
26,700	Koninklijke KPN NV	285,122	440,912	Thailand – 0.1%			
36,075	Mittal Steel Company NV	1,459,669	1,764,780	56,800	PTT Public Company Ltd. Foreign Shares	421,554	384,468
28,981	Wolters Kluwer NV	860,769	970,754				
		<u>8,873,423</u>	<u>10,389,290</u>	United Kingdom – 16.5%			
Philippines – 0.1%				26,600	Astrazeneca PLC	1,688,496	1,663,102
3,300	Philippine Long Distance Telephone Co.	120,350	198,636	114,600	Aviva PLC	1,750,841	2,144,632
Russia – 0.5%				161,300	BAE Systems PLC	1,310,520	1,559,262
2,643	JSC MMC Norilsk Nickel ADR	469,749	486,582	155,900	Bardays PLC	2,162,495	2,587,520
9,650	Lukoil Oil Company ADR	947,217	974,872	84,583	BG Group PLC	1,220,011	1,344,160
		<u>1,416,966</u>	<u>1,461,454</u>	26,800	Billiton PLC	523,889	577,125
Singapore – 0.1%				104,600	BP PLC	1,398,727	1,362,173
18,600	Flextronics International Ltd.	294,178	248,803	45,000	British American Tobacco PLC	1,279,499	1,467,086
South Africa – 0.3%				131,800	Centrica PLC	968,557	1,066,384
2,900	ABSA Group Ltd.	51,079	59,956	11,600	Enterprise Inns PLC	206,087	357,374
151,010	Sanlam Ltd.	417,337	459,648	100,610	Friends Provident PLC	381,259	496,992
13,900	Standard Bank Group Ltd.	166,822	217,333	43,800	GlaxoSmithKline PLC	1,340,536	1,345,625
6,764	Tiger Brands Ltd.	165,619	191,198	29,100	Greene King PLC	562,134	751,484
		<u>800,857</u>	<u>928,135</u>	97,440	HBOS PLC	2,055,296	2,512,642
South Korea – 0.8%				160,060	International Power PLC	1,370,197	1,394,290
2,100	Honam Petrochemical Corporation	119,094	183,118	271,382	Man Group PLC	2,578,136	3,235,752
1,200	Hyundai Mobis Co.	111,823	129,149	141,369	Marks & Spencer Group PLC	1,756,493	2,307,535
4,200	Hyundai Motor Company Ltd. 2nd Pref.	228,314	198,818	34,414	Mitchells & Butlers PLC	319,736	555,923
4,790	Industrial Bank of Korea	93,972	102,713	19,970	Punch Taverns PLC	330,521	580,953
6,500	Industrial Bank of Korea GDR	125,911	140,116	14,280	Reckitt Benkiser PLC	756,221	760,513
900	Kookmin Bank	82,459	84,524	57,781	Rio Tinto PLC	3,511,028	3,578,329
1,600	Kookmin Bank ADR	109,826	150,339	97,447	Royal & Sun Alliance Insurance Group PLC	200,540	339,005
2,700	LG Philips LCD Co. Ltd.	113,273	94,554	67,900	Royal Bank of Scotland Group PLC	2,619,465	3,075,919
3,100	POSCO ADR	186,928	298,615	68,243	Royal Dutch Shell PLC Class A	2,679,810	2,803,846
260	Samsung Electronics Co. Ltd.	205,731	199,688	104,000	Sainsbury (J) PLC	645,418	971,268
500	Samsung Electronics Co. Ltd. GDR	177,702	191,676	55,356	Standard Chartered PLC	1,756,162	1,875,394
700	Samsung Electronics Co. Ltd. GDR Pref.	219,537	206,561	127,696	Tesco PLC	1,114,919	1,176,197
300	Samsung Electronics Co. Ltd. Pref.	184,116	180,325	892,575	Vodafone Group PLC	2,427,799	2,869,935
3,000	Shinhan Financial Group Ltd.	164,462	179,122	17,800	Wolverhampton & Dudley Breweries PLC	596,252	732,122
		<u>2,123,148</u>	<u>2,339,318</u>	95,801	Xstrata PLC	4,372,265	5,571,382
Spain – 2.3%						<u>43,883,309</u>	<u>51,063,924</u>
138,777	Banco Bilbao Vizcaya Argentaria SA	3,406,307	3,879,015	TOTAL INVESTMENT PORTFOLIO			
43,100	Repsol YPF SA	1,496,816	1,732,625			<u>257,180,443</u>	<u>296,151,537</u>
60,916	Telefonica SA	1,471,596	1,505,825	OTHER ASSETS, LESS LIABILITIES – 4.6%			
		<u>6,374,719</u>	<u>7,117,465</u>				<u>14,291,514</u>
Sweden – 1.0%				TOTAL NET ASSETS – 100.0%			
49,000	Electrolux AB Series B	1,111,014	1,138,689				<u>310,443,051</u>
43,800	Nordea Bank AB	693,281	785,221				
21,000	Svenska Cellulosa AB Class B	1,157,667	1,275,706				
		<u>2,961,962</u>	<u>3,199,616</u>				
Switzerland – 11.7%							
207,681	ABB Ltd.	3,427,865	4,332,807				
5,300	Alcon Inc.	681,058	690,244				
114,307	Credit Suisse Group	7,607,016	9,284,014				
10,152	Nestle SA	3,819,093	4,191,020				
4,263	Nobel Biocare Holding AG	1,239,751	1,466,722				
43,091	Novartis AG	2,730,407	2,882,679				

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund (Continued)

COMMITMENTS - FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian \$ Appreciation/ (Depreciation)
Mar. 15, 2007	Canadian Dollar	724,092	Hong Kong Dollar	4,905,000	735,189	(11,097)
Mar. 15, 2007	Canadian Dollar	10,471,991	Japanese Yen	1,047,618,000	10,325,089	146,902
Mar. 15, 2007	Canadian Dollar	275,953	Swiss Franc	294,000	282,077	(6,124)
Mar. 15, 2007	Canadian Dollar	2,271,758	Swiss Franc	2,344,000	2,248,940	22,818
Mar. 15, 2007	Japanese Yen	249,304,000	Canadian Dollar	2,480,637	2,457,085	(23,552)
					<u>16,048,380</u>	<u>128,947</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Cassels International Equity Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$296,151,537	\$86,908,462
Cash	13,401,145	2,955,483
Accrued investment income	217,585	63,406
Receivable for securities sold	827,020	159,249
Subscriptions receivable	856,322	71,761
Receivable from forward contracts	128,947	—
	<u>311,582,556</u>	<u>90,158,361</u>
LIABILITIES		
Payable for securities purchased	993,436	390,063
Redemptions payable	62,581	21,790
Accrued expenses	83,488	42,058
Payable for currency forward contracts	—	79,826
	<u>1,139,505</u>	<u>533,737</u>
Net assets	<u>\$310,443,051</u>	<u>\$89,624,624</u>
NET ASSETS PER CLASS		
Scotia Private Client Units	<u>\$310,443,051</u>	<u>\$89,624,624</u>
UNITS OUTSTANDING		
Scotia Private Client Units	<u>23,843,588</u>	<u>8,342,325</u>
NET ASSET VALUE PER UNIT		
Scotia Private Client Units	<u>\$ 13.02</u>	<u>\$ 10.74</u>

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005*
INVESTMENT INCOME		
Dividends	\$ 3,748,897	\$ 339,258
Interest	198,382	38,119
Securities lending	393	3
Foreign withholding taxes	(611,090)	(38,458)
	<u>3,336,582</u>	<u>338,922</u>
EXPENSES		
Management fees (note 4)	486,782	85,186
Audit fees	19,148	11,957
Custodian fees	238,688	137,718
Filing fees	13,732	2,261
Legal fees	3,162	448
Unitholder reporting	10,092	2,143
Unitholder administration, service fees and GST	82,684	24,828
	<u>854,288</u>	<u>264,541</u>
Absorbed expenses	<u>(2,415)</u>	<u>(114,378)</u>
	<u>851,873</u>	<u>150,163</u>
Net investment income (loss)	<u>2,484,709</u>	<u>188,759</u>
Net realized gain (loss) on investments sold	3,056,139	206,249
Net realized gain (loss) on foreign exchange	(582,298)	(124,015)
Change in unrealized appreciation (depreciation) of investments	33,085,849	5,885,245
Change in unrealized appreciation (depreciation) of currency forward	208,774	(79,827)
Net gain (loss) on investments	<u>35,768,464</u>	<u>5,887,652</u>
Increase (decrease) in net assets from operations	<u>\$38,253,173</u>	<u>\$6,076,411</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>\$38,253,173</u>	<u>\$6,076,411</u>
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	<u>\$ 2.73</u>	<u>\$ 0.81</u>

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005*
NET ASSETS — BEGINNING OF PERIOD		
Scotia Private Client Units	\$ 89,624,624	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	<u>38,253,173</u>	<u>6,076,411</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Scotia Private Client Units	<u>(2,354,536)</u>	<u>(117,201)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	206,190,830	89,118,553
Reinvested distributions		
Scotia Private Client Units	2,351,355	117,171
Payments on redemption		
Scotia Private Client Units	<u>(23,622,395)</u>	<u>(5,570,310)</u>
	<u>184,919,790</u>	<u>83,665,414</u>
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	<u>220,818,427</u>	<u>89,624,624</u>
TOTAL NET ASSETS — END OF PERIOD		
Scotia Private Client Units	<u>\$310,443,051</u>	<u>\$89,624,624</u>

* For the period since inception to December 31, 2005

Scotia European Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 99.4%				FOREIGN EQUITIES (cont'd)			
Austria – 1.2%				Ireland – 3.9%			
2,900	OMV AG	151,007	190,896	12,746	Allied Irish Banks PLC	378,364	443,093
2,996	Voest Alpine AG	70,243	197,001	22,187	Anglo Irish Bank Corporation PLC	416,986	533,780
943	Wiener Staedtische Versicher	65,271	77,007	12,121	C&C Group PLC	221,850	250,596
		<u>286,521</u>	<u>464,904</u>	5,756	CRH PLC	192,840	278,142
						<u>1,210,040</u>	<u>1,505,611</u>
Belgium – 0.7%				Italy – 6.5%			
5,300	Fortis	214,535	262,493	3,800	Banco Popolare di Verona e Novara Scrl	116,883	126,720
Denmark – 0.5%				6,300	Buzzi Unicem SpA	120,582	208,211
1,600	Carlsberg A/S Class B	112,628	184,707	8,700	Eni SpA	281,491	340,966
Finland – 3.2%				3,225	FastWeb SpA	176,986	213,834
15,300	Nokia Oyj	343,234	362,462	1,500	Fondiarria-Sai SpA	74,702	83,590
11,149	Outokumpu Technology	199,575	387,312	4,600	Fondiarria-Sai SpA – RNC	153,169	189,950
7,000	Sampo Oyj Class A	131,549	217,509	22,824	Geox SpA	330,010	411,644
8,000	Stora Enso Oyj Class R	127,809	148,599	5,600	Italcementi SpA	144,573	183,717
2,100	Wartsila Oyj Class B	95,870	131,727	9,127	Saipem SpA	226,674	277,050
		<u>898,037</u>	<u>1,247,609</u>	47,220	UniCredito Italiano SpA	406,333	480,787
						<u>2,031,403</u>	<u>2,516,469</u>
France – 15.2%				Netherlands – 7.6%			
2,764	Accor SA	164,448	249,346	10,134	ABN AMRO Holding NV	267,032	378,704
11,912	Air France	376,923	583,943	10,900	Buhrmann NV	171,981	188,639
7,567	BNP Paribas SA	679,679	957,426	3,350	European Aeronautic Defence & Space Company	131,124	134,312
3,750	Cappgemini SA	197,088	273,232	2,100	Heijmans NV	104,796	134,502
2,600	Compagnie Generale des Etablissements Michelin Class B	193,667	289,748	21,521	ING Groep NV	699,461	1,110,960
4,940	Credit Agricole SA	152,844	241,147	7,000	Koninklijke Bam Groep NV	152,720	157,871
1,709	Essilor International SA	179,881	213,525	4,953	Mittal Steel Company NV	186,696	242,299
7,019	France Telecom SA	222,500	225,165	5,200	SNS Reaal	128,906	131,137
1,970	Iliad SA	173,121	198,410	8,960	Unilever NV	240,237	285,063
700	Lagardere S.C.A.	64,013	65,541	4,248	Wolters Kluwer NV	118,231	142,292
1,500	Natixis	44,767	49,059			<u>2,201,184</u>	<u>2,905,779</u>
1,400	Pernod Ricard SA	298,648	373,482	Norway – 0.5%			
1,700	Renault SA	180,939	237,740	5,778	Statoil ASA	179,220	177,610
2,900	Sanofi-Aventis SA	261,121	311,063	Russia – 0.2%			
1,900	Societe Generale	264,011	374,460	674	Lukoil Oil Company ADR	49,585	68,090
9,646	Societe Television Francaise 1	348,923	416,716	Spain – 4.0%			
6,220	Total SA	392,833	522,457	24,565	Banco Bilbao Vizcaya Argentaria SA	513,299	686,627
1,701	Vinci SA	182,336	252,436	15,200	Banco Santander Central Hispano SA	270,713	329,412
		<u>4,377,742</u>	<u>5,834,896</u>	4,500	Repsol YPF SA	142,215	180,901
Germany – 10.0%				5,660	Tecnicas Reunidas SA	221,830	252,252
1,100	Allianz AG Holdings	194,346	261,709	3,889	Telefonica SA	95,326	96,135
3,000	BASF AG	301,521	340,117			<u>1,243,383</u>	<u>1,545,327</u>
7,934	Bauer AG	272,874	393,948	Sweden – 2.3%			
700	Continental AG	62,215	94,793	1,849	Atlas Copco AB Class A	61,100	72,108
3,600	DaimlerChrysler AG	206,171	259,658	7,800	Electrolux AB Class B	165,312	181,261
9,300	Deutsche Lufthansa AG	194,146	298,025	54,600	Ericsson LM Class B	194,325	256,666
12,800	Deutsche Telekom AG	254,799	272,289	10,300	Nordea Bank AB	113,342	184,652
2,127	E.ON AG	198,732	336,147	3,400	Svenska Cellulosa AB Class B	160,301	206,543
2,696	Merck KGAA	307,773	325,467			<u>694,380</u>	<u>901,230</u>
1,530	Muenchener Rueckver AG	200,297	306,291	Switzerland – 12.0%			
7,695	ProsiebenSat.1 Media AG Pref.	234,607	293,750	23,971	ABB Ltd.	386,372	500,102
2,913	RWE AG	292,631	373,810	1,900	CIBA Specialty Chemicals AG	136,739	147,089
3,564	SAP AG	201,605	220,489	16,493	Credit Suisse Group	998,685	1,339,555
3,400	TUI AG	80,341	79,120	1,343	Nestle SA	474,086	554,427
		<u>3,002,058</u>	<u>3,855,613</u>	743	Nobel Biocare Holding AG	195,861	255,636
Greece – 1.6%				6,919	Novartis AG	418,712	462,864
8,540	Hellenic Telecommunication Organization SA	261,944	297,445	2,146	Partners Group AG	165,785	301,293
3,413	OPAP SA	146,124	153,615	2,897	Petroplus Holdings AG	186,182	204,807
6,080	Public Power Corporation	160,498	179,474	872	Roche Holdings AG – Genusscheine	128,590	181,622
		<u>568,566</u>	<u>630,534</u>	2,861	Swiss Re	264,358	282,180
Hungary – 0.3%				5,569	UBS AG	255,251	392,506
950	Mol Magyar Olaj-ES Gazipari GDR	104,340	125,638			<u>3,610,621</u>	<u>4,622,081</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia European Growth Fund (Continued)

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES (cont'd)				FOREIGN EQUITIES (cont'd)			
United Kingdom - 29.7%				United Kingdom (cont'd)			
5,200	Astrazeneca PLC	281,938	325,118	8,336	Prudential PLC	94,564	132,720
15,200	Aviva PLC	215,817	284,454	13,680	Punch Taverns PLC	222,348	397,969
30,700	BAE Systems PLC	194,497	296,772	13,434	Resolution PLC	161,652	196,634
19,713	Barclays PLC	203,861	327,183	3,000	Rio Tinto PLC	171,899	185,787
19,267	BG Group PLC	277,446	306,184	37,527	Royal & Sun Alliance Insurance Group PLC	70,364	130,551
39,569	BP PLC	517,657	515,295	12,200	Royal Bank of Scotland Group PLC	463,839	552,669
13,037	British American Tobacco PLC	357,797	425,031	14,987	Royal Dutch Shell PLC Class B	610,038	616,597
13,100	British Energy PLC	140,408	162,241	16,807	SabMiller PLC	371,266	449,402
31,397	Capita Group PLC	314,502	434,839	36,300	Sainsbury (J) PLC	227,345	339,010
30,900	Centrica PLC	193,572	250,010	8,743	Scottish Power PLC	101,489	149,067
16,052	Easyjet PLC	121,196	223,522	14,244	Standard Chartered PLC	396,358	482,569
42,820	Friends Provident PLC	171,363	211,522	16,000	Taylor Woodrow PLC	126,904	155,575
9,100	GlaxoSmithKline PLC	269,567	279,571	279,816	Vodafone Group PLC	815,991	899,705
7,900	Greene King PLC	122,797	204,011	990	Wellington Underwriting PLC	1,971	2,818
15,440	HBOS PLC	293,432	398,144	9,855	Xstrata PLC	338,092	573,125
95	HSBC Holdings PLC	1,879	2,018				
30,099	International Power PLC	201,326	262,194				
72,178	Legal & General Group PLC	193,587	258,695		TOTAL INVESTMENT PORTFOLIO	29,682,229	38,263,084
16,624	Man Group PLC	88,874	198,212				
22,006	Marks & Spencer Group PLC	224,039	359,199		OTHER ASSETS, LESS LIABILITIES - 0.6%		217,044
32,317	Michael Page International PLC	250,952	333,428		TOTAL NET ASSETS - 100.0%		38,480,128
5,278	Pearson PLC	87,359	92,652				

COMMITMENTS - FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2006 (\$)	Canadian\$ Appreciation/ (Depreciation)
Mar. 15, 2007	Canadian Dollar	191,786	Euro	133,000	204,697	(12,911)
Mar. 15, 2007	Canadian Dollar	215,784	Euro	148,000	227,783	(11,999)
Mar. 15, 2007	Canadian Dollar	164,080	Euro	112,000	172,377	(8,297)
Mar. 15, 2007	Euro	120,000	Canadian Dollar	184,356	184,689	333
					<u>789,546</u>	<u>(32,874)</u>

The currency forward contracts outstanding at December 31, 2006 are placed with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia European Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$38,263,084	\$31,788,888
Cash	273,208	452,775
Accrued investment income	30,320	24,871
Subscriptions receivable	28,700	41
	<u>38,595,312</u>	<u>32,266,575</u>
LIABILITIES		
Payable for securities purchased	–	50,771
Redemptions payable	–	404
Accrued expenses	82,310	77,473
Payable for currency forward contracts	32,874	4,127
	<u>115,184</u>	<u>132,775</u>
Net assets	<u>\$38,480,128</u>	<u>\$32,133,800</u>
NET ASSETS PER CLASS		
Class A Units	\$38,480,128	\$32,133,800
UNITS OUTSTANDING		
Class A Units	2,799,572	3,065,680
NET ASSET VALUE PER UNIT		
Class A Units	\$ 13.75	\$ 10.48

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 948,847	\$ 1,045,818
Interest	12,758	10,930
Securities lending	7,910	378
Foreign withholding taxes	(131,801)	(168,941)
	<u>837,714</u>	<u>888,185</u>
EXPENSES		
Management fees (note 4)	664,267	687,219
Audit fees	12,423	9,315
Directors/trustee fees	2,755	2,642
Custodian fees	108,030	145,499
Filing fees	15,774	16,870
Legal fees	3,994	1,109
Unitholder reporting	35,190	36,426
Unitholder administration, service fees and GST	211,204	226,185
	<u>1,053,637</u>	<u>1,125,265</u>
Absorbed expenses	(100,408)	(127,404)
	<u>953,229</u>	<u>997,861</u>
Net investment income (loss)	(115,515)	(109,676)
Net realized gain (loss) on investments sold	3,206,748	7,170,836
Net realized gain (loss) on foreign exchange	(25,454)	(214,048)
Change in unrealized appreciation (depreciation) of investments	6,257,000	(5,321,928)
Change in unrealized appreciation (depreciation) of currency forward	(28,747)	(4,127)
Net gain (loss) on investments	<u>9,409,547</u>	<u>1,630,733</u>
Increase (decrease) in net assets from operations	<u>\$9,294,032</u>	<u>\$ 1,521,057</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$9,294,032	\$ 1,521,086
Class F Units	\$ –	\$ (29)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 3.23	\$ 0.45
Class F Units	\$ –	\$ –

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$32,133,800	\$36,927,648
Class F Units	–	5,430
	<u>32,133,800</u>	<u>36,933,078</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	9,294,032	1,521,086
Class F Units	–	(29)
	<u>9,294,032</u>	<u>1,521,057</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	5,030,226	3,483,352
Payments on redemption		
Class A Units	(7,977,930)	(9,798,286)
Class F Units	–	(5,401)
	<u>(2,947,704)</u>	<u>(6,320,335)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	6,346,328	(4,793,848)
Class F Units	–	(5,430)
	<u>6,346,328</u>	<u>(4,799,278)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	38,480,128	32,133,800
Class F Units	–	–
	<u>\$38,480,128</u>	<u>\$32,133,800</u>

Scotia Pacific Rim Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 98.1%				FOREIGN EQUITIES (cont'd)			
Australia – 13.6%				Japan (cont'd)			
65,700	AMP Ltd.	460,776	608,099	62	Sumitomo Mitsui Financial Group Inc.	622,194	736,815
33,300	BHP Billiton Ltd.	562,861	770,453	12,000	Sumitomo Realty And Development Co. Ltd.	220,080	449,575
20,900	Commonwealth Bank of Australia	791,003	947,150	23,000	Sumitomo Trust & Banking Co. Ltd.	285,661	279,394
8,600	Publishing & Broadcasting Ltd.	143,813	168,373	3,500	Takeda Pharmaceutical Co. Ltd.	249,083	280,156
18,400	QBE Insurance Group Ltd.	207,238	488,439	6,700	Terumo Corporation	243,400	307,273
19,400	Rinker Group Ltd.	245,850	321,135	3,400	Tokyo Electron Ltd.	284,233	312,801
7,800	Toll Holdings Ltd.	78,522	130,512	66,000	Tokyo Gas Co. Ltd.	380,961	409,020
9,950	Woodside Petroleum Ltd.	305,609	347,774	42,000	Toray Industries Inc.	380,420	367,181
22,350	Woolworths Ltd.	333,568	489,271	14,500	Toyota Motor Corporation	797,229	1,107,966
		<u>3,129,240</u>	<u>4,271,206</u>	433	Yahoo Japan Corporation	337,138	201,274
				4,140	Yamada Denki Co. Ltd.	293,786	409,989
				9,100	Yamaha Motor Co. Ltd.	258,897	333,713
						<u>13,243,266</u>	<u>14,882,694</u>
China – 0.8%				Malaysia – 1.3%			
1,000	Capitair China Trust	831	1,595	21,000	Genting Berhad	131,206	228,257
98,000	China Merchants Bank Co. Ltd. Class H	185,530	241,214	32,100	IOI Corporation Berhad	162,113	194,944
		<u>186,361</u>	<u>242,809</u>			<u>293,319</u>	<u>423,201</u>
Hong Kong – 11.3%				New Zealand – 1.2%			
32,000	ASM Pacific Technology Ltd.	163,853	207,131	50,300	Fisher & Paykel Healthcare Corporation Ltd.	145,483	175,958
229,000	China Life Insurance Co. Ltd. Class H	276,850	895,646	48,500	Telecom Corporation of New Zealand Ltd.	154,598	191,711
35,000	China Mobile (Hong Kong) Ltd.	184,816	352,526			<u>300,081</u>	<u>367,669</u>
168,000	Hang Lung Properties Ltd.	395,685	491,435				
10,000	Hong Kong Aircraft Engineering	155,311	159,065				
84,500	Hong Kong Exchanges & Clearing Ltd.	349,814	1,074,352				
100,000	PetroChina Co. Ltd. Class H	114,313	164,159				
15,000	Wing Hang Bank Ltd.	162,843	204,874				
		<u>1,803,485</u>	<u>3,549,188</u>				
India – 2.7%				Philippines – 0.6%			
5,300	Larsen & Toubro Ltd. GDR	115,403	200,706	382,500	Universal Robina Corporation	174,058	175,072
15,400	Reliance Communication GDR	179,265	170,469				
5,300	State Bank of India GDR	165,498	459,463				
		<u>460,166</u>	<u>830,638</u>				
Indonesia – 1.0%				Singapore – 5.0%			
237,000	Bank Central Asia PT	138,076	159,670	68,000	Capitaland Ltd.	156,727	318,056
953,000	Kalbe Farma Tbk PT	138,743	146,930	27,000	Keppel Corporation Ltd.	216,149	360,105
		<u>276,819</u>	<u>306,600</u>	118,000	SIA Engineering Co. Ltd.	305,791	385,401
				117,000	Singapore Exchange Ltd.	322,847	503,955
						<u>1,001,514</u>	<u>1,567,517</u>
Japan – 47.5%				South Korea – 8.3%			
4,000	Advantest Corporation	223,875	267,608	2,080	Hyundai Heavy Industries Co.	176,459	327,311
7,300	Aisin Seiki Co. Ltd.	280,749	285,635	4,000	K T & G Corporation	236,895	283,433
12,500	Amano Corporation	289,597	183,014	11,600	LG Telecom Ltd.	136,048	138,774
19,000	Asahi Glass Co. Ltd.	297,177	266,296	1,410	NHN Corporation	189,301	200,600
7,600	Canon Inc.	389,767	501,430	2,900	POSCO ADR	210,337	279,349
63	East Japan Railway Co. Ltd.	462,304	489,453	1,360	Samsung Electronics Co. Ltd. GDR	290,954	521,358
6,800	Elpida Memory Inc.	307,095	436,365	2,050	Samsung Fire & Marine Insurance Co. Ltd.	321,445	413,274
2,200	Fanuc Ltd.	222,677	251,335	610	Shinsegae Co. Ltd.	330,563	443,256
42,000	Isuzu Motors Ltd.	218,440	228,387			<u>1,892,002</u>	<u>2,607,355</u>
10,100	JFE Holdings Inc.	429,914	603,095				
86,000	Kawasaki Heavy Industries Ltd.	273,261	376,929				
160	KK Davinci Advisors	224,741	185,379				
14,100	Komatsu Ltd.	272,568	330,860				
2,800	Melco Holdings Inc.	104,675	91,386				
17,200	Mitsubishi Corporation	418,839	376,052				
55	Mitsubishi UFJ Financial Group Inc.	746,965	797,199				
21,000	NHK Spring Co. Ltd.	290,464	257,337				
14,000	Nikon Corporation	271,843	354,510				
1,010	Orix Corporation	247,594	341,404				
596	SBI Holdings Inc.	267,206	234,459				
4,600	Secom Co. Ltd.	246,271	278,194				
16,000	Sekisui House Ltd.	269,185	270,479				
8,060	Seven & I Holdings Co. Ltd.	325,769	292,330				
13,000	Sharp Corporation	255,765	261,166				
5,700	Shin-Etsu Chemical Co. Ltd.	373,714	442,054				
10,000	Shinko Electric Industries Co. Ltd.	311,149	304,995				
16,000	Shionogi & Co. Ltd.	324,102	365,181				
19,000	Sompo Japan Insurance Inc.	276,188	271,007				
38,000	Sumitomo Chemical Co. Ltd.	268,290	343,998				
						<u>1,111,310</u>	<u>1,519,168</u>
						<u>23,871,621</u>	<u>30,743,117</u>
					TOTAL INVESTMENT PORTFOLIO		
					OTHER ASSETS, LESS LIABILITIES - 1.9%		606,629
					TOTAL NET ASSETS - 100.0%		<u>31,349,747</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Pacific Rim Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$30,743,117	\$24,473,727
Cash	668,575	1,053,302
Accrued investment income	9,982	538
Receivable for securities sold	—	536,283
Subscriptions receivable	2,344	99,999
	<u>31,424,018</u>	<u>26,163,849</u>
LIABILITIES		
Payable for securities purchased	—	712,400
Redemptions payable	7,974	1,330
Accrued expenses	66,297	57,809
	<u>74,271</u>	<u>771,539</u>
Net assets	<u>\$31,349,747</u>	<u>\$25,392,310</u>
NET ASSETS PER CLASS		
Class A Units	\$30,921,485	\$25,115,896
Class I Units	\$ 428,262	\$ 276,414
UNITS OUTSTANDING		
Class A Units	2,259,274	2,038,935
Class I Units	30,175	22,180
NET ASSET VALUE PER UNIT		
Class A Units	\$ 13.69	\$ 12.32
Class I Units	\$ 14.19	\$ 12.46

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 536,048	\$ 469,294
Interest	30,124	11,861
Securities lending	596	1,723
Foreign withholding taxes	(82,260)	(77,134)
	<u>484,508</u>	<u>405,744</u>
EXPENSES		
Management fees (note 4)	554,162	422,310
Audit fees	12,423	9,260
Directors'/trustee fees	2,755	2,642
Custodian fees	52,324	47,387
Filing fees	16,652	16,359
Legal fees	3,293	1,107
Unitholder reporting	28,486	23,019
Unitholder administration, service fees and GST	164,256	149,428
	<u>834,351</u>	<u>671,512</u>
Absorbed expenses	<u>(34,875)</u>	<u>(52,163)</u>
	<u>799,476</u>	<u>619,349</u>
Net investment income (loss)	<u>(314,968)</u>	<u>(213,605)</u>
Net realized gain (loss) on investments sold	1,896,099	1,994,630
Net realized gain (loss) on foreign exchange	(320,759)	(237,679)
Change in unrealized appreciation (depreciation) of investments	1,768,546	3,635,457
Net gain (loss) on investments	<u>3,343,886</u>	<u>5,392,408</u>
Increase (decrease) in net assets from operations	<u>\$3,028,918</u>	<u>\$5,178,803</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$2,978,416	\$5,146,364
Class F Units	\$ —	\$ 61
Class I Units	\$ 50,502	\$ 32,378
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.32	\$ 2.53
Class F Units	\$ —	\$ —
Class I Units	\$ 1.81	\$ 3.31

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$25,115,896	\$20,962,112
Class F Units	—	8,528
Class I Units	276,414	—
	<u>25,392,310</u>	<u>20,970,640</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	2,978,416	5,146,364
Class F Units	—	61
Class I Units	50,502	32,378
	<u>3,028,918</u>	<u>5,178,803</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	10,656,109	4,835,341
Class I Units	133,524	253,929
Payments on redemption		
Class A Units	(7,828,936)	(5,827,921)
Class F Units	—	(8,589)
Class I Units	(32,178)	(9,893)
	<u>2,928,519</u>	<u>(757,133)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	5,805,589	4,153,784
Class F Units	—	(8,528)
Class I Units	151,848	276,414
	<u>5,957,437</u>	<u>4,421,670</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	30,921,485	25,115,896
Class F Units	—	—
Class I Units	428,262	276,414
	<u>\$31,349,747</u>	<u>\$25,392,310</u>

Scotia Latin American Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Shares	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 96.9%			
Argentina – 3.7%			
53,800	IRSA Inversiones y Representaciones SA GDR	768,868	1,060,052
26,345	Tenaris SA ADR	712,927	1,531,486
		<u>1,481,795</u>	<u>2,591,538</u>
Bermuda – 1.4%			
21,200	Credicorp Ltd.	694,438	1,011,312
Brazil – 54.4%			
183,500	All America Latina Logistica SA	989,072	2,220,267
98,700	Banco Itau Holding Financeira SA ADR	3,157,927	4,157,448
102,500	Companhia Paranaense De Energia-Copel PFB	1,259,915	1,398,516
120,000	Companhia Vale do Rio Doce SA ADR Pref. Series A	1,514,147	3,670,388
79,302	Companhia Vale do Rio Doce SA ADR	1,789,736	2,748,062
80,000	EDP – Energias do Brasil SA	1,059,974	1,440,812
31,100	Gol Linhas Aereas Inteligentes SA ADR	1,146,039	1,038,938
17,047	Guararapes Confeccoos SA	820,628	990,834
51,800	Localiza Rent A Car SA	696,087	1,816,378
106,100	Medial Saude SA	1,210,577	1,401,310
107,466	Net Servicos De Comunicacao SA ADR	988,890	1,500,131
73,900	Obrascon Huarte Lain Brasil	944,251	1,387,415
21,200	Petroleo Brasileiro SA ADR	1,184,487	2,544,089
40,623	Petroleo Brasileiro SA ADR Non-Voting	1,949,707	4,390,703
68,100	Profarma Distribuidora	865,007	1,092,692
106,100	Saraiva SA Livreiros Editores Pref.	1,104,805	1,383,938
27,900	Submariono SA GDR	852,963	2,130,194
26,200	Unibanco de Bancos Brasileiros SA GDR	1,860,621	2,837,911
		<u>23,394,833</u>	<u>38,150,026</u>
Chile – 8.6%			
29,500	Banco Santander Chile SA ADR	1,272,058	1,655,426
49,900	Embotelladora Andina SA	809,159	984,371
69,300	Inversiones Aguas Metropolitanas SA	1,717,509	1,983,232
21,400	Lan Airlines SA ADR	1,245,691	1,370,945
		<u>5,044,417</u>	<u>5,993,974</u>
Columbia – 1.5%			
28,465	Bancolumbia SA ADR	712,476	1,032,504
Mexico – 27.3%			
216,875	Alsea SA	633,005	1,377,812
120,400	America Movil SA de CV Series L ADR	3,926,909	6,343,931
35,178	Cemex SA de CV ADR	1,074,875	1,388,724
20,576	Desarrolladora Homex ADR	1,148,697	1,416,215
379,800	Empresas ICA SA de CV	1,326,949	1,671,684
57,579	Gruma SA ADR	855,383	976,177
20,400	Grupo Aeroportuario del Sureste SA de CV ADR	837,023	1,009,517
228,488	Grupo Famsa SA	946,201	1,195,485
252,300	Industrias CH SA Series B	681,892	1,253,117
50,518	Wal-Mart de Mexico SA de CV Series V ADR	1,276,062	2,545,855
		<u>12,706,996</u>	<u>19,178,517</u>
	TOTAL INVESTMENT PORTFOLIO	<u>44,034,955</u>	67,957,871
	OTHER ASSETS, LESS LIABILITIES – 3.1%		<u>2,186,647</u>
	TOTAL NET ASSETS – 100.0%		<u>70,144,518</u>

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Latin American Growth Fund (Continued)

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$67,957,871	\$47,271,789
Cash	1,951,385	–
Accrued investment income	343,492	342,448
Receivable for securities sold	–	47,099
Subscriptions receivable	120,673	167,690
	<u>70,373,421</u>	<u>47,829,026</u>
LIABILITIES		
Bank indebtedness	–	38,903
Distributions payable	213	508
Redemptions payable	93,095	53,997
Accrued expenses	135,595	101,564
	<u>228,903</u>	<u>194,972</u>
Net assets	<u>\$70,144,518</u>	<u>\$47,634,054</u>
NET ASSETS PER CLASS		
Class A Units	\$67,492,229	\$44,967,610
Class F Units	\$ 207,692	\$ 72,053
Class I Units	\$ 2,444,597	\$ 2,594,391
UNITS OUTSTANDING		
Class A Units	2,027,062	1,898,629
Class F Units	6,252	3,070
Class I Units	73,493	109,787
NET ASSET VALUE PER UNIT		
Class A Units	\$ 33.30	\$ 23.68
Class F Units	\$ 33.22	\$ 23.47
Class I Units	\$ 33.26	\$ 23.63

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends	\$ 1,161,172	\$ 1,660,336
Interest	562,398	125,028
Securities lending	372	2
Foreign withholding taxes	(84,825)	(59,118)
	<u>1,639,117</u>	<u>1,726,248</u>
EXPENSES		
Management fees (note 4)	1,102,146	782,876
Audit fees	17,169	9,056
Directors'/trustee fees	2,755	2,642
Custodian fees	53,773	30,924
Filing fees	17,182	15,915
Legal fees	3,908	1,101
Unitholder reporting	34,115	31,532
Unitholder administration, service fees and GST	233,905	205,725
	<u>1,464,953</u>	<u>1,079,771</u>
Absorbed expenses	(4,419)	(14,881)
	<u>1,460,534</u>	<u>1,064,890</u>
Net investment income (loss)	178,583	661,358
Net realized gain (loss) on investments sold	9,614,290	9,841,351
Net realized gain (loss) on foreign exchange	(45,889)	(27,293)
Change in unrealized appreciation (depreciation) of investments	11,193,788	4,178,426
Net gain (loss) on investments	<u>20,762,189</u>	<u>13,992,484</u>
Increase (decrease) in net assets from operations	<u>\$20,940,772</u>	<u>\$14,653,842</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$19,820,884	\$14,410,297
Class F Units	\$ 51,455	\$ 5,779
Class I Units	\$ 1,068,433	\$ 237,766
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 9.83	\$ 7.17
Class F Units	\$ 8.27	\$ 6.91
Class I Units	\$ 11.84	\$ 4.91

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 44,967,610	\$ 33,993,406
Class F Units	72,053	11,329
Class I Units	2,594,391	–
	<u>47,634,054</u>	<u>34,004,735</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	19,820,884	14,410,297
Class F Units	51,455	5,779
Class I Units	1,068,433	237,766
	<u>20,940,772</u>	<u>14,653,842</u>
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(158,418)	(350,006)
Class F Units	(797)	(1,364)
Class I Units	(52,134)	(55,568)
From realized gain		
Class A Units	(1,297,006)	–
Class F Units	(3,997)	–
Class I Units	(46,987)	–
	<u>(1,559,339)</u>	<u>(406,938)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	23,196,353	12,900,272
Class F Units	130,210	68,000
Class I Units	1,047,729	2,392,322
Reinvested distributions		
Class A Units	1,445,664	346,947
Class F Units	4,795	1,364
Class I Units	99,120	55,568
Payments on redemption		
Class A Units	(20,482,858)	(16,333,306)
Class F Units	(46,027)	(13,055)
Class I Units	(2,265,955)	(35,697)
	<u>3,129,031</u>	<u>(617,585)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	22,524,619	10,974,204
Class F Units	135,639	60,724
Class I Units	(149,794)	2,594,391
	<u>22,510,464</u>	<u>13,629,319</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	67,492,229	44,967,610
Class F Units	207,692	72,053
Class I Units	2,444,597	2,594,391
	<u>\$ 70,144,518</u>	<u>\$ 47,634,054</u>

Capital U.S. Large Companies Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 99.9%			
3,429,551	Capital International – U.S. Equity Class I	32,370,320	32,673,335
TOTAL INVESTMENT PORTFOLIO		32,370,320	32,673,335
OTHER ASSETS, LESS LIABILITIES – 0.1%			36,851
TOTAL NET ASSETS – 100.0%			32,710,186

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$32,673,335	\$47,868,831
Cash	163,627	46,134
Subscriptions receivable	100	124
	<u>32,837,062</u>	<u>47,915,089</u>
LIABILITIES		
Redemptions payable	63,103	11,066
Accrued expenses	63,773	116,688
	<u>126,876</u>	<u>127,754</u>
Net assets	\$32,710,186	\$47,787,335
NET ASSETS PER CLASS		
Class A Units	\$32,704,549	\$47,775,677
Class F Units	\$ 5,637	\$ 11,658
UNITS OUTSTANDING		
Class A Units	3,714,392	5,900,772
Class F Units	600	1,366
NET ASSET VALUE PER UNIT		
Class A Units	\$ 8.80	\$ 8.10
Class F Units	\$ 9.40	\$ 8.53

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 446,833	\$ 1,024,619
Interest	6,092	19,215
Foreign withholding taxes	(61,295)	(137,156)
	<u>391,630</u>	<u>906,678</u>
EXPENSES		
Management fees (note 4)	698,896	2,375,922
Audit fees	16,701	12,994
Directors'/trustee fees	2,755	2,642
Filing fees	18,344	20,645
Legal fees	4,554	1,110
Unitholder reporting	40,625	123,431
Unitholder administration, service fees and GST	357,077	649,940
	<u>1,138,952</u>	<u>3,186,684</u>
Absorbed expenses	(278,900)	(251,087)
	<u>860,052</u>	<u>2,935,597</u>
Net investment income (loss)	(468,422)	(2,028,919)
Net realized gain (loss) on investments sold	(1,310,586)	(11,155,781)
Change in unrealized appreciation (depreciation) of investments	4,671,859	12,694,032
Net gain (loss) on investments	<u>3,361,273</u>	<u>1,538,251</u>
Increase (decrease) in net assets from operations	\$ 2,892,851	\$ (490,668)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 2,892,309	\$ (490,813)
Class F Units	\$ 542	\$ 145
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.68	\$ (0.03)
Class F Units	\$ 0.48	\$ 0.14

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 47,775,677	\$ 149,673,320
Class F Units	11,658	9,708
	<u>47,787,335</u>	<u>149,683,028</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	2,892,309	(490,813)
Class F Units	542	145
	<u>2,892,851</u>	<u>(490,668)</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,777,335	17,951,575
Class F Units	957	6,660
Payments on redemption		
Class A Units	(20,740,772)	(119,358,405)
Class F Units	(7,520)	(4,855)
	<u>(17,970,000)</u>	<u>(101,405,025)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(15,071,128)	(101,897,643)
Class F Units	(6,021)	1,950
	<u>(15,077,149)</u>	<u>(101,895,693)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	32,704,549	47,775,677
Class F Units	5,637	11,658
	<u>\$ 32,710,186</u>	<u>\$ 47,787,335</u>

Capital U.S. Small Companies Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 99.6%			
590,958	Capital International – U.S. Small Cap Series I	5,633,028	5,560,027
TOTAL INVESTMENT PORTFOLIO		5,633,028	5,560,027
OTHER ASSETS, LESS LIABILITIES – 0.4%			21,846
TOTAL NET ASSETS – 100.0%			5,581,873

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$5,560,027	\$5,372,222
Cash	32,749	11,209
Subscriptions receivable	694	1,038
	5,593,470	5,384,469
LIABILITIES		
Accrued expenses	11,597	11,290
Net assets	\$5,581,873	\$5,373,179
NET ASSETS PER CLASS		
Class A Units	\$5,581,873	\$5,369,098
Class F Units	\$ –	\$ 4,081
UNITS OUTSTANDING		
Class A Units	676,469	711,850
Class F Units	–	518
NET ASSET VALUE PER UNIT		
Class A Units	\$ 8.25	\$ 7.54
Class F Units	\$ –	\$ 7.88

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 47,836	\$ 8,969
Interest	438	118
Foreign withholding taxes	(7,009)	(1,143)
	41,265	7,944
EXPENSES		
Management fees (note 4)	112,921	100,697
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	2,642
Filing fees	14,880	15,814
Legal fees	1,458	1,109
Unitholder reporting	11,436	3,207
Unitholder administration, service fees and GST	35,400	30,440
	191,477	163,223
Absorbed expenses	(52,735)	(38,932)
	138,742	124,291
Net investment income (loss)	(97,477)	(116,347)
Net realized gain (loss) on investments sold	(57,058)	(56,617)
Change in unrealized appreciation (depreciation) of investments	633,385	(79,519)
Net gain (loss) on investments	576,327	(136,136)
Increase (decrease) in net assets from operations	\$478,850	\$(252,483)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$479,140	\$(252,310)
Class F Units	\$ (290)	\$ (173)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 0.69	\$ (0.41)
Class F Units	\$ (0.56)	\$ (0.33)

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$5,369,098	\$4,869,398
Class F Units	4,081	4,254
	5,373,179	4,873,652
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	479,140	(252,310)
Class F Units	(290)	(173)
	478,850	(252,483)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	259,633	1,133,897
Payments on redemption		
Class A Units	(525,998)	(381,887)
Class F Units	(3,791)	–
	(270,156)	752,010
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	212,775	499,700
Class F Units	(4,081)	(173)
	208,694	499,527
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	5,581,873	5,369,098
Class F Units	–	4,081
	\$5,581,873	\$5,373,179

Capital International Large Companies Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 99.9%			
2,672,442	Capital International – International Equity Series I	20,901,961	27,033,618
TOTAL INVESTMENT PORTFOLIO		<u>20,901,961</u>	<u>27,033,618</u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>37,095</u>
TOTAL NET ASSETS – 100.0%			<u><u>27,070,713</u></u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$27,033,618	\$30,380,579
Cash	163,706	37,646
Subscriptions receivable	2,750	1,020
	<u>27,200,074</u>	<u>30,419,245</u>
LIABILITIES		
Redemptions payable	73,627	5,585
Accrued expenses	55,734	71,969
	<u>129,361</u>	<u>77,554</u>
Net assets	<u>\$27,070,713</u>	<u>\$30,341,691</u>
NET ASSETS PER CLASS		
Class A Units	\$27,033,407	\$30,296,656
Class F Units	\$ 37,306	\$ 45,035
UNITS OUTSTANDING		
Class A Units	2,865,473	3,772,198
Class F Units	3,731	5,354
NET ASSET VALUE PER UNIT		
Class A Units	\$ 9.43	\$ 8.03
Class F Units	\$ 10.00	\$ 8.41

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 420,316	\$ 560,051
Interest	4,009	7,541
Foreign withholding taxes	(33,837)	(83,030)
	<u>390,488</u>	<u>484,562</u>
EXPENSES		
Management fees (note 4)	546,352	1,021,555
Audit fees	16,701	12,994
Directors'/trustee fees	2,755	2,642
Filing fees	16,274	17,326
Legal fees	3,926	1,111
Unitholder reporting	34,956	72,093
Unitholder administration, service fees and GST	264,449	359,464
	<u>885,413</u>	<u>1,487,185</u>
Absorbed expenses	(211,386)	(221,228)
	<u>674,027</u>	<u>1,265,957</u>
Net investment income (loss)	(283,539)	(781,395)
Net realized gain (loss) on investments sold	1,061,409	2,021,604
Change in unrealized appreciation (depreciation) of investments	3,427,878	3,710,796
Net gain (loss) on investments	<u>4,489,287</u>	<u>5,732,400</u>
Increase (decrease) in net assets from operations	<u>\$4,205,748</u>	<u>\$4,951,005</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$4,199,659	\$4,947,472
Class F Units	\$ 6,089	\$ 3,533
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.38	\$ 0.76
Class F Units	\$ 1.52	\$ 1.27

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$ 30,296,656	\$ 57,935,195
Class F Units	45,035	19,354
	<u>30,341,691</u>	<u>57,954,549</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	4,199,659	4,947,472
Class F Units	6,089	3,533
	<u>4,205,748</u>	<u>4,951,005</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	4,802,753	22,997,665
Class F Units	–	22,964
Payments on redemption		
Class A Units	(12,265,661)	(55,583,676)
Class F Units	(13,818)	(816)
	<u>(7,476,726)</u>	<u>(32,563,863)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,263,249)	(27,638,539)
Class F Units	(7,729)	25,681
	<u>(3,270,978)</u>	<u>(27,612,858)</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	27,033,407	30,296,656
Class F Units	37,306	45,035
	<u>\$ 27,070,713</u>	<u>\$ 30,341,691</u>

Capital Global Discovery Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES – 99.7%			
710,604	Capital International – Global Discovery Series I	6,708,247	7,287,242
TOTAL INVESTMENT PORTFOLIO		<u>6,708,247</u>	<u>7,287,242</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			20,939
TOTAL NET ASSETS – 100.0%			<u>7,308,181</u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$7,287,242	\$6,794,302
Cash	91,531	50,775
Subscriptions receivable	9,463	–
	<u>7,388,236</u>	<u>6,845,077</u>
LIABILITIES		
Redemptions payable	64,805	–
Accrued expenses	15,250	14,269
	<u>80,055</u>	<u>14,269</u>
Net assets	<u>\$7,308,181</u>	<u>\$6,830,808</u>
NET ASSETS PER CLASS		
Class A Units	\$7,297,696	\$6,821,790
Class F Units	\$ 10,485	\$ 9,018
UNITS OUTSTANDING		
Class A Units	773,311	829,584
Class F Units	1,097	1,097
NET ASSET VALUE PER UNIT		
Class A Units	\$ 9.44	\$ 8.22
Class F Units	\$ 9.56	\$ 8.22

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 88,626	\$159,906
Interest	688	1,192
Interest distributions received	16,715	13,977
Foreign withholding taxes	(8,705)	(10,780)
	<u>97,324</u>	<u>164,295</u>
EXPENSES		
Management fees (note 4)	146,766	120,725
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	2,641
Filing fees	14,912	15,840
Legal fees	1,543	1,109
Unitholder reporting	12,241	3,749
Unitholder administration, service fees and GST	41,398	34,168
	<u>232,242</u>	<u>187,546</u>
Absorbed expenses	(53,895)	(40,168)
	<u>178,347</u>	<u>147,378</u>
Net investment income (loss)	(81,023)	16,917
Net realized gain (loss) on investments sold	(23,630)	(96,297)
Change in unrealized appreciation (depreciation) of investments	1,057,860	369,079
Net gain (loss) on investments	<u>1,034,230</u>	<u>272,782</u>
Increase (decrease) in net assets from operations	<u>\$ 953,207</u>	<u>\$289,699</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$ 951,740	\$289,529
Class F Units	\$ 1,467	\$ 170
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.19	\$ 0.41
Class F Units	\$ 1.34	\$ 0.15

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	\$6,821,790	\$5,760,911
Class F Units	9,018	–
	<u>6,830,808</u>	<u>5,760,911</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	951,740	289,529
Class F Units	1,467	170
	<u>953,207</u>	<u>289,699</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	383,551	1,594,969
Class F Units	–	8,848
Payments on redemption		
Class A Units	(859,385)	(823,619)
	<u>(475,834)</u>	<u>780,198</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	475,906	1,060,879
Class F Units	1,467	9,018
	<u>477,373</u>	<u>1,069,897</u>
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	7,297,696	6,821,790
Class F Units	10,485	9,018
	<u>\$7,308,181</u>	<u>\$6,830,808</u>

Capital Global Small Companies Fund

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2006

Number of Units	Issuer	Average Cost (\$)	Market Value (\$)
FOREIGN EQUITIES - 99.6%			
688,143	Capital International - Global Small Cap Series I	6,721,689	8,167,295
TOTAL INVESTMENT PORTFOLIO		<u>6,721,689</u>	<u>8,167,295</u>
OTHER ASSETS, LESS LIABILITIES - 0.4%			<u>34,717</u>
TOTAL NET ASSETS - 100.0%			<u><u>8,202,012</u></u>

STATEMENT OF NET ASSETS

As at December 31

	2006	2005
ASSETS		
Investments at market value	\$8,167,295	\$6,465,200
Cash	51,650	93,661
Subscriptions receivable	1,114	500
	<u>8,220,059</u>	<u>6,559,361</u>
LIABILITIES		
Redemptions payable	-	50
Accrued expenses	18,047	14,582
	<u>18,047</u>	<u>14,632</u>
Net assets	<u>\$8,202,012</u>	<u>\$6,544,729</u>
NET ASSETS PER CLASS		
Class A Units	\$8,179,136	\$6,525,345
Class F Units	\$ 22,876	\$ 19,384
UNITS OUTSTANDING		
Class A Units	781,046	727,042
Class F Units	2,121	2,121
NET ASSET VALUE PER UNIT		
Class A Units	\$ 10.47	\$ 8.98
Class F Units	\$ 10.79	\$ 9.14

STATEMENT OF OPERATIONS

For the periods ended December 31

	2006	2005
INVESTMENT INCOME		
Dividends distributions received	\$ 69,723	\$ 42,647
Interest	1,179	853
Foreign withholding taxes	(7,917)	(6,020)
	<u>62,985</u>	<u>37,480</u>
EXPENSES		
Management fees (note 4)	168,640	138,259
Audit fees	12,627	9,314
Directors'/trustee fees	2,755	2,642
Filing fees	14,944	15,887
Legal fees	1,460	1,109
Unitholder reporting	11,469	2,946
Unitholder administration, service fees and GST	38,860	31,987
	<u>250,755</u>	<u>202,144</u>
Absorbed expenses	(46,682)	(34,037)
	<u>204,073</u>	<u>168,107</u>
Net investment income (loss)	(141,088)	(130,627)
Net realized gain (loss) on investments sold	34,923	(311,885)
Change in unrealized appreciation (depreciation) of investments	1,260,686	1,089,116
Net gain (loss) on investments	<u>1,295,609</u>	<u>777,231</u>
Increase (decrease) in net assets from operations	<u>\$1,154,521</u>	<u>\$ 646,604</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	\$1,151,029	\$ 644,157
Class F Units	\$ 3,492	\$ 2,447
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	\$ 1.49	\$ 0.89
Class F Units	\$ 1.65	\$ 1.15

STATEMENT OF CHANGES IN NET ASSETS

For the periods ended December 31

	2006	2005
NET ASSETS - BEGINNING OF PERIOD		
Class A Units	\$6,525,345	\$ 6,995,555
Class F Units	19,384	16,937
	<u>6,544,729</u>	<u>7,012,492</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,151,029	644,157
Class F Units	3,492	2,447
	<u>1,154,521</u>	<u>646,604</u>
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,033,534	1,117,861
Payments on redemption		
Class A Units	(530,772)	(2,232,228)
	<u>502,762</u>	<u>(1,114,367)</u>
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	1,653,791	(470,210)
Class F Units	3,492	2,447
	<u>1,657,283</u>	<u>(467,763)</u>
TOTAL NET ASSETS - END OF PERIOD		
Class A Units	8,179,136	6,525,345
Class F Units	22,876	19,384
	<u>\$8,202,012</u>	<u>\$ 6,544,729</u>

Notes to Financial Statements

December 31, 2006

1. The following funds (“Funds”) are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a master declaration of trust dated as at February 14, 2005, as amended and/or restated from time to time.

Trusts	Date of Inception
Scotia T-Bill Fund	October 3, 1991
Scotia Premium T-Bill Fund	July 10, 1992
Scotia Money Market Fund	August 30, 1990
Scotia CanAm U.S. \$ Money Market Fund	September 3, 1996
Scotia Canadian Bond Index Fund	September 20, 1999
Scotia Mortgage Income Fund	September 22, 1992
Scotia Canadian Income Fund	November 1957
Scotia Cassels Canadian Bond Fund	June 10, 2005
Scotia Cassels Canadian Corporate Bond Fund	October 30, 2003
Scotia CanAm U.S. \$ Income Fund	November 27, 1991
Scotia CanGlobal Income Fund	July 4, 1994
Scotia Diversified Monthly Income Fund	June 10, 2005
Scotia Canadian Balanced Fund	May 7, 1990
Scotia Total Return Fund	April 18, 1989
Scotia Selected Income & Modest Growth Fund	April 22, 2003
Scotia Selected Balanced Income & Growth Fund	April 22, 2003
Scotia Selected Conservative Growth Fund	April 22, 2003
Scotia Selected Aggressive Growth Fund	April 22, 2003
Scotia Partners Income & Modest Growth Portfolio	November 29, 2002
Scotia Partners Balanced Income & Growth Portfolio	November 29, 2002
Scotia Partners Conservative Growth Portfolio	November 29, 2002
Scotia Partners Aggressive Growth Portfolio	November 29, 2002
Scotia Vision Conservative 2010 Fund	June 10, 2005
Scotia Vision Aggressive 2010 Fund	June 10, 2005
Scotia Vision Conservative 2015 Fund	June 10, 2005
Scotia Vision Aggressive 2015 Fund	June 10, 2005
Scotia Vision Conservative 2020 Fund	June 10, 2005
Scotia Vision Aggressive 2020 Fund	June 10, 2005
Scotia Vision Conservative 2030 Fund	June 10, 2005
Scotia Vision Aggressive 2030 Fund	June 10, 2005
Scotia Canadian Stock Index Fund	December 13, 1996
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Blue Chip Fund	December 31, 1986
Scotia Canadian Growth Fund	February 20, 1961
Scotia Cassels Canadian Equity Fund	June 10, 2005
Scotia Canadian Small Cap Fund	October 28, 1992
Scotia Resource Fund	July 6, 1993
Scotia Cassels North American Equity Fund	June 10, 2005
Scotia American Stock Index Fund	December 13, 1996
Scotia American Growth Fund	December 31, 1986
Scotia Cassels U.S. Equity Fund	June 10, 2005
Scotia CanAm Stock Index Fund	July 9, 1993
Scotia Nasdaq Index Fund	November 30, 2000
Scotia Young Investors Fund	November 30, 2000
Scotia International Stock Index Fund	September 20, 1999
Scotia Global Growth Fund	February 20, 1961
Scotia Cassels International Equity Fund	June 10, 2005
Scotia European Growth Fund	September 3, 1996
Scotia Pacific Rim Growth Fund	August 18, 1994
Scotia Latin American Growth Fund	August 18, 1994
Capital U.S. Large Companies Fund	November 30, 2000
Capital U.S. Small Companies Fund	November 30, 2000
Capital International Large Companies Fund	November 30, 2000
Capital Global Discovery Fund	November 30, 2000
Capital Global Small Companies Fund	November 30, 2000

2. Summary of Significant Accounting Policies

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, which establishes generally accepted accounting principles (GAAP) for financial instrument reporting purposes. Section 3855 applies to fiscal years beginning on or after October 1, 2006. The adoption of Section 3855 impacts the calculation of net asset value of an investment fund, as well as disclosure, for financial reporting purposes. Section 14.2 of NI 81-106 of the Canadian Securities Administrators requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

Canadian securities regulatory authorities have granted relief to investment funds from complying with the requirements of Section 14.2 of NI 81-106 for the purpose of calculating and reporting of net asset value (other than for financial statements reporting purposes) for up to a one year period ending September 30, 2007, to permit further review of the impact of these financial reporting requirements on investment funds. Depending on the outcome of such review, the method by which net asset value is calculated as prescribed by Section 3855 may result in a change to the purchase and redemption price of an investment fund on the date of any such change.

The following is a summary of significant accounting policies currently followed by the Funds:

- (a) Valuation of investments

Securities listed on a public securities exchange will be valued at their last sale price on that day or, if no sales are reported, at a price determined by Scotia Securities Inc. (the “Manager”) but generally not higher than the closing asked price and not lower than the closing bid price. Where securities are listed or traded on more than one public securities exchange or are actively traded on over-the-counter markets while being listed or traded on such securities exchanges, such securities will be valued on the basis of the market quotation which, in the opinion of the Manager, most closely reflects their fair value.

In November 2005, the Manager expanded its use of fair value pricing to actively value foreign securities held in the Funds.

Short-term debt instruments are recorded at cost, which when taken together with accrued interest earned thereon, approximates market value.

Mortgages are valued at their market value using the prevailing rate of return on new mortgages of similar type and term.

Bonds and debentures are valued at the average of the bid and ask price quoted by major dealers in such securities.

(b) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Realized gains (losses) on the sale of investments and unrealized appreciation (depreciation) of investments are determined on an average cost basis.

Dividend income is recognized on the ex-dividend date and interest is recognized on an accrual basis.

Realized gains and losses on the sale of short-term debt instruments are recorded as an adjustment to interest income.

Income, realized gains (losses) and unrealized gains and losses are allocated among the classes on a pro-rata basis.

(c) Foreign currency conversion

Amounts denominated in foreign currencies are converted into Canadian dollars as follows:

(i) market value of investments and other assets and liabilities at the rates of exchange prevailing at the valuation date; and

(ii) purchase and sale of investments and investment income at the rates of exchange prevailing on the respective dates of such transactions.

(d) Foreign exchange gains (losses)

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in Net realized gain (loss) on foreign exchange in the Statement of Operations.

This does not apply to Scotia CanAm U.S. \$ Money Market Fund and Scotia CanAm U.S. \$ Income Fund which are denominated in U.S. dollars.

(e) Futures, forward and option contracts

Futures, forward and option contracts are valued on each business day according to the gain or loss that would be realized if the contracts were closed out, unless daily limits are in effect in which case they are valued based on the current market value of the underlying interest. Any payments made to satisfy the initial and the variation margin are reflected as a

receivable balance. Margin consisting of assets other than cash is noted in the Statements of Investment Portfolio. Gains or losses arising from futures, forward and option contracts which are held as hedges for capital investments are recorded as unrealized gains (losses) on investments until the contracts are closed out or have expired, at which time the gains (losses) are realized. Gains or losses arising from futures, forward and option contracts not held as hedges for capital investments are recorded as income (loss) on a daily basis in the Statement of Operations.

(f) Securities Lending

Some of the Funds may enter into securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. The income earned from these securities lending transactions is recorded in the Statement of Operations. The market value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangements can be terminated by the borrower, the agent or Fund at any time.

3. Unitholders' Equity

Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the declaration of trust, ranks pari passu with all other units of the Fund, and entitles the unitholder to a proportionate undivided interest in the net assets of the Fund.

The units of each of the Funds are issued and redeemed at their net asset value per unit which is determined as of the close of business on each business day that the Toronto Stock Exchange is open for trading. The net asset value per unit is calculated by dividing the net assets of the Fund by the total number of units outstanding.

Fund	2006		2005	
	Units Issued	Units Redeemed	Units Issued	Units Redeemed
Scotia T-Bill Fund				
Class A Units	9,444,822	14,383,215	14,338,802	18,447,460
Scotia Premium T-Bill Fund				
Class A Units	110,393,954	143,043,739	157,733,560	172,667,569
Scotia Money Market Fund				
Class A Units	110,042,769	128,829,341	154,269,892	168,443,704
Class I Units	567,336	61,049	818,031	7,055
Scotia Private Client Units	170,206,855	170,648,294	215,749,408	204,420,258
Scotia CanAm U.S. \$ Money Market Fund				
Class A Units	11,986,547	12,974,425	11,581,339	12,345,377
Scotia Canadian Bond Index Fund				
Class A Units	2,431,071	2,188,207	2,843,692	3,634,119
Class F Units	31,959	40,001	130,948	6,958
Class I Units	1,054,554	130,494	1,698,975	16,503
Scotia Mortgage Income Fund				
Class A Units	1,718,648	6,752,059	4,713,805	15,288,354
Class F Units	14	901	2,183	5,263
Class I Units	7,762,750	233,634	8,100,648	73,264

Fund	2006		2005		Fund	2006		2005	
	Units Issued	Units Redeemed	Units Issued	Units Redeemed		Units Issued	Units Redeemed	Units Issued	Units Redeemed
Scotia Canadian Income Fund					Scotia Canadian Dividend Fund				
Class A Units	11,554,579	17,371,065	21,395,202	40,450,430	Class A Units	10,173,089	8,315,733	12,882,843	8,825,786
Class F Units	16,909	23,712	22,117	6,453	Class F Units	183,411	36,547	9,976	5,989
Class I Units	22,879,672	1,108,892	34,115,195	1,240,374	Class I Units	1,885,168	254,633	2,697,542	143,014
Scotia Private Client Units	20,059,832	26,000,697	20,934,488	8,817,145	Scotia Private Client Units	543,894	804,364	907,942	632,772
Scotia Cassels Canadian Bond Fund					Scotia Canadian Blue Chip Fund				
Scotia Private Client Units	782,188	169,877	15,000	–	Class A Units	928,048	3,494,804	1,519,626	9,573,172
Scotia Cassels Canadian Corporate Bond Fund					Class F Units	1,067	810	810	406
Scotia Private Client Units	22,252,161	10,987,111	24,636,114	11,055,113	Class I Units	249,684	221,681	862,558	8,106
Scotia CanAm U.S. \$ Income Fund					Scotia Private Client Units	1,293	1,082,667	2,640,865	11,950,380
Class A Units	188,934	509,845	357,248	657,640	Scotia Canadian Growth Fund				
Class F Units	1,277	1,223	50	–	Class A Units	825,516	1,918,515	902,010	4,050,352
Scotia CanGlobal Income Fund					Class F Units	271	126	541	471
Class A Units	308,884	1,284,196	935,342	4,529,297	Class I Units	721,737	163,348	1,188,687	69,741
Class F Units	–	–	57	3,643	Scotia Cassels Canadian Equity Fund				
Class I Units	5,095,166	239,832	6,581,584	61,022	Scotia Private Client Units	6,291,868	1,266,819	1,480,661	15,000
Scotia Diversified Monthly Income Fund					Scotia Canadian Small Cap Fund				
Class A Units	15,374,292	2,213,762	5,947,584	340,900	Class A Units	1,131,399	1,317,046	886,164	4,692,084
Class F Units	346	497	213	–	Class I Units	1,113,826	241,413	927,935	26,669
Scotia Canadian Balanced Fund					Scotia Private Client Units	574,890	1,213,389	546,347	736,416
Class A Units	20,823,879	12,440,384	18,985,351	12,429,252	Scotia Resource Fund				
Class F Units	172	2,851	3,864	1,017	Class A Units	2,310,547	2,041,810	2,107,607	1,503,262
Scotia Private Client Units	–	–	2,262	118,650	Class F Units	143	1,523	–	–
Scotia Total Return Fund					Scotia Cassels North American Equity Fund				
Class A Units	3,352,791	4,672,431	3,240,595	6,028,330	Scotia Private Client Units	12,040,404	16,359,486	35,492,740	2,476,996
Class F Units	23	–	24	6	Scotia American Stock Index Fund				
Scotia Selected Income & Modest Growth Fund					Class A Units	535,964	1,406,619	6,872,565	2,111,631
Class A Units	5,734,163	3,106,586	11,186,887	1,455,225	Class I Units	419,677	77,312	621,883	5,693
Scotia Selected Balanced Income & Growth Fund					Scotia American Growth Fund				
Class A Units	15,265,261	4,329,733	21,755,035	1,947,144	Class A Units	538,391	2,784,748	1,566,521	9,662,398
Scotia Selected Conservative Growth Fund					Class F Units	–	–	–	401
Class A Units	10,060,905	2,261,694	16,387,595	463,675	Class I Units	1,217,021	30,086	2,115,756	35,761
Scotia Selected Aggressive Growth Fund					Scotia Private Client Units	4,882	1,619,879	2,652,188	8,441,806
Class A Units	2,315,177	506,418	3,077,827	91,160	Scotia Cassels U.S. Equity Fund				
Scotia Partners Income & Modest Growth Portfolio					Scotia Private Client Units	2,286,485	988,772	1,406,074	24,364
Class A Units	9,153,784	5,150,715	18,089,400	2,339,940	Scotia CanAm Stock Index Fund				
Class F Units	11	1,610	39	1,818	Class A Units	716,108	5,757,785	2,268,993	15,633,456
Scotia Partners Balanced Income & Growth Portfolio					Scotia Nasdaq Index Fund				
Class A Units	27,806,939	9,066,645	41,876,970	4,312,804	Class A Units	684,425	1,336,762	592,272	1,197,687
Class F Units	1,444	18,101	8,348	6,294	Class F Units	–	–	–	2,208
Scotia Partners Conservative Growth Portfolio					Scotia Young Investors Fund				
Class A Units	28,079,144	6,759,077	35,653,962	3,475,888	Class A Units	259,866	178,323	267,476	198,557
Class F Units	16,647	2,955	25,346	16,858	Scotia International Stock Index Fund				
Scotia Partners Aggressive Growth Portfolio					Class A Units	739,119	1,071,377	719,931	3,102,735
Class A Units	7,627,503	2,104,894	8,602,506	1,045,300	Class I Units	531,334	170,206	2,452,659	1,919,156
Class F Units	–	–	–	–	Scotia Global Growth Fund				
Scotia Vision Conservative 2010 Fund					Class A Units	291,126	781,179	409,051	1,212,852
Class A Units	1,061,909	551,076	4,710,203	99,589	Scotia Cassels International Equity Fund				
Scotia Vision Aggressive 2010 Fund					Scotia Private Client Units	17,518,950	2,017,688	8,887,287	544,961
Class A Units	216,946	122,160	681,611	35,202	Scotia European Growth Fund				
Scotia Vision Conservative 2015 Fund					Class A Units	426,332	692,440	341,011	960,296
Class A Units	1,877,843	411,951	5,444,317	82,553	Class F Units	–	–	–	541
Scotia Vision Aggressive 2015 Fund					Scotia Pacific Rim Growth Fund				
Class A Units	620,801	181,947	1,715,313	30,607	Class A Units	856,494	636,155	448,148	559,744
Scotia Vision Conservative 2020 Fund					Class F Units	–	–	–	867
Class A Units	1,986,782	470,489	5,194,317	88,763	Class I Units	10,571	2,576	23,031	851
Scotia Vision Aggressive 2020 Fund					Scotia Latin American Growth Fund				
Class A Units	1,002,029	219,677	2,224,236	47,533	Class A Units	885,531	757,098	654,714	806,285
Scotia Vision Conservative 2030 Fund					Class F Units	4,970	1,789	3,070	680
Class A Units	1,041,770	223,290	2,327,280	38,745	Class I Units	43,495	79,789	111,334	1,547
Scotia Vision Aggressive 2030 Fund					Capital U.S. Large Companies Fund				
Class A Units	722,304	157,413	1,272,601	31,282	Class A Units	337,290	2,523,671	2,241,802	14,914,238
Scotia Canadian Stock Index Fund					Class F Units	108	874	783	573
Class A Units	1,369,068	3,330,010	2,075,920	9,774,834	Capital U.S. Small Companies Fund				
Class I Units	340,043	142,840	1,093,892	10,142	Class A Units	33,515	68,897	148,293	49,655
					Class F Units	–	518	–	–
					Capital International Large Companies Fund				
					Class A Units	573,837	1,480,562	3,123,469	7,442,756
					Class F Units	–	1,623	2,842	100
					Capital Global Discovery Fund				
					Class A Units	45,199	101,471	198,605	104,534
					Class F Units	–	–	1,097	–

Fund	2006		2005	
	Units Issued	Units Redeemed	Units Issued	Units Redeemed
Capital Global Small Companies Fund				
Class A Units	110,488	56,485	130,019	287,630
Class F Units	-	-	-	-

4. Management Fees

The Funds' management fees are calculated daily and payable monthly on the first business day of the following calendar month. The Manager is entitled to a maximum annual management fee, exclusive of GST, as follows:

Fund	% of Net Asset Value		
	Class A Units	Class F Units	Scotia Private Client Units
Scotia T-Bill Fund	1.00	-	-
Scotia Premium T-Bill Fund	0.50	-	-
Scotia Money Market Fund	1.00	-	0.10
Scotia CanAm U.S. \$ Money Market Fund	1.00	-	-
Scotia Canadian Bond Index Fund	0.70	0.35	-
Scotia Mortgage Income Fund	1.25	0.625	-
Scotia Canadian Income Fund	1.25	0.625	0.10
Scotia Cassels Canadian Bond Fund	-	-	0.10
Scotia Cassels Canadian Corporate Bond Fund	-	-	0.10
Scotia CanAm U.S. \$ Income Fund	1.50	0.75	-
Scotia CanGlobal Income Fund	1.50	0.75	-
Scotia Diversified Monthly Income Fund	1.25	0.625	-
Scotia Canadian Balanced Fund	1.75	0.875	-
Scotia Total Return Fund	1.75	0.875	-
Scotia Selected Income & Modest Growth Fund	1.60	0.60	-
Scotia Selected Balanced Income & Growth Fund	1.75	0.75	-
Scotia Selected Conservative Growth Fund	1.90	0.90	-
Scotia Selected Aggressive Growth Fund	2.10	1.10	-
Scotia Partners Income & Modest Growth Portfolio	1.85	0.85	-
Scotia Partners Balanced Income & Growth Portfolio	2.00	1.00	-
Scotia Partners Conservative Growth Portfolio	2.15	1.15	-
Scotia Partners Aggressive Growth Portfolio	2.35	1.35	-
Scotia Vision Conservative 2010 Fund	1.60	-	-
Scotia Vision Aggressive 2010 Fund	1.65	-	-
Scotia Vision Conservative 2015 Fund	1.70	-	-
Scotia Vision Aggressive 2015 Fund	1.75	-	-
Scotia Vision Conservative 2020 Fund	1.80	-	-
Scotia Vision Aggressive 2020 Fund	1.85	-	-
Scotia Vision Conservative 2030 Fund	2.00	-	-
Scotia Vision Aggressive 2030 Fund	2.05	-	-
Scotia Canadian Stock Index Fund	0.80	0.40	-
Scotia Canadian Dividend Fund	1.50	0.75	0.10
Scotia Canadian Blue Chip Fund	1.85	0.925	-
Scotia Canadian Growth Fund	1.85	0.925	-
Scotia Cassels Canadian Equity Fund	-	-	0.10
Scotia Canadian Small Cap Fund	2.00	1.00	0.10
Scotia Resource Fund	2.00	1.00	-
Scotia Cassels North American Equity Fund	-	-	0.10
Scotia American Stock Index Fund	0.80	0.40	-
Scotia American Growth Fund	2.00	1.00	0.10
Scotia Cassels U.S. Equity Fund	-	-	0.10
Scotia CanAm Stock Index Fund	0.80	0.40	-
Scotia Nasdaq Index Fund	0.80	0.40	-
Scotia Young Investors Fund	2.00	-	-
Scotia International Stock Index Fund	0.80	0.40	-
Scotia Global Growth Fund	2.00	1.00	-
Scotia Cassels International Equity Fund	-	-	0.30
Scotia European Growth Fund	2.00	1.00	-
Scotia Pacific Rim Growth Fund	2.00	1.00	-
Scotia Latin American Growth Fund	2.50	1.25	-
Capital U.S. Large Companies Fund	2.00	1.00	-
Capital U.S. Small Companies Fund	2.15	1.15	-
Capital International Large Companies Fund	2.15	1.15	-
Capital Global Discovery Fund	2.20	1.20	-
Capital Global Small Companies Fund	2.35	1.35	-

No management fees are charged on Class I Units.

Instead, Class I investors negotiate a separate fee that is paid directly to the Manager.

5. Operating expenses

Each class of a Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all classes. Operating expenses may include legal fees, audit fees, custodial fees, taxes, brokerage commissions and servicing costs. The Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the Statement of Operations. The Manager may cease to absorb expenses at any time.

6. Income Taxes

The Funds qualify or expect to qualify as mutual fund trusts under the Income Tax Act (Canada). Each of the Funds distributes sufficient of its taxable net investment income and net realized taxable capital gains, less the amount required to enable each Fund to utilize any available tax credit attributable to redemptions during the period, to its unitholders. Such income is taxable in the hands of the unitholders.

Accordingly, no provision for income taxes has been recorded in these financial statements.

(a) There are capital loss carryforwards available in the following Funds as at December 31 of the following years:

	2006	2005
Scotia CanAm U.S. \$ Money Market Fund	\$ 50,606,242	\$ 43,452,797
Scotia Canadian Bond Index Fund	235,806	106,985
Scotia Mortgage Income Fund	1,580,550	1,344,523
Scotia Cassels Canadian Corporate Bond Fund	1,669,735	4,894
Scotia CanAm U.S. \$ Income Fund	7,958,137	5,296,906
Scotia CanGlobal Income Fund	17,340,435	11,676,899
Scotia Canadian Balanced Fund	4,485,211	51,939,384
Scotia Total Return Fund	13,440,339	34,003,866
Scotia Canadian Stock Index Fund	11,728,661	13,854,313
Scotia Canadian Dividend Fund	20,198	12,535
Scotia Canadian Blue Chip Fund	13,988,421	28,111,029
Scotia Canadian Growth Fund	-	30,751,103
Scotia Canadian Small Cap Fund	16,330	16,330
Scotia Resource Fund	36,191,841	39,119,969
Scotia Cassels North American Equity Fund	2,049,008	2,049,008
Scotia American Stock Index Fund	21,324,211	17,134,573
Scotia American Growth Fund	118,083,620	118,083,620
Scotia Cassels U.S. Equity Fund	465,927	36,019
Scotia CanAm Stock Index Fund	85,405,576	81,369,946
Scotia Nasdaq Index Fund	5,587,051	5,154,751
Scotia Young Investors Fund	559,145	802,018
Scotia International Stock Index Fund	7,552,936	10,790,932
Scotia Global Growth Fund	77,433,547	78,273,430
Scotia European Growth Fund	40,836,609	42,165,941
Scotia Pacific Rim Growth Fund	11,137,288	12,541,391
Scotia Latin American Growth Fund	-	1,976,681
Capital U.S. Large Companies Fund	18,562,845	16,663,504
Capital U.S. Small Companies Fund	310,614	251,962
Capital International Large Companies Fund	2,434,658	2,434,658
Capital Global Discovery Fund	376,290	336,870
Capital Global Small Companies Fund	568,756	568,756

The capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

(b) There are non-capital loss carryforwards available in the following Funds as at December 31 of the following years:

	2006	2005
Scotia Total Return Fund	\$ 3,857	\$ 3,857
Scotia Selected Aggressive Growth Fund	193,707	–
Scotia Partners Conservative Growth Portfolio	2,486,887	62,908
Scotia Partners Aggressive Growth Portfolio	4,804,940	686,026
Scotia Canadian Growth Fund	461,784	1,635,448
Scotia Canadian Small Cap Fund	–	1,315,061
Scotia Resource Fund	–	816,909
Scotia American Growth Fund	7,396,592	7,396,592
Scotia CanAm Stock Index Fund	113,948,290	130,924,033
Scotia Nasdaq Index Fund	3,579,154	4,248,529
Scotia Young Investors Fund	597,483	463,441
Scotia International Stock Index Fund	–	6,904,607
Scotia Global Growth Fund	5,392,454	4,850,821
Scotia Pacific Rim Growth Fund	281,082	26,472
Scotia Latin American Growth Fund	1,991	–
Capital U.S. Large Companies Fund	9,255,179	8,765,299
Capital U.S. Small Companies Fund	621,866	524,560
Capital International Large Companies Fund	1,874,883	2,393,188
Capital Global Discovery Fund	416,939	335,725
Capital Global Small Companies Fund	741,594	617,252

The non-capital losses for income tax purposes may be carried forward for up to twenty years and applied against capital gains realized and net income in future years.

7. Brokerage Fees and Soft Dollars Paid

The total commissions paid to dealers and the ascertainable soft dollar arrangements in connection with investment portfolio transactions for the twelve month period ended December 31, 2006 and the twelve month period ended December 31, 2005 are set out below.

	Brokerage Fees and Commissions		Soft Dollar Amount	
	2006	2005	2006	2005
Scotia Diversified Monthly Income Fund	\$ 145,307	\$ 55,856	\$ –	\$ –
Scotia Canadian Balanced Fund	875,199	764,500	172	22,187
Scotia Total Return Fund	483,645	532,890	11,054	8,765
Scotia Canadian Stock Index Fund	51,434	170,891	–	–
Scotia Canadian Dividend Fund	1,864,001	1,719,393	–	–
Scotia Canadian Blue Chip Fund	331,151	673,117	40	10,317
Scotia Canadian Growth Fund	1,448,993	1,505,304	44	2,686
Scotia Cassels Canadian Equity Fund	77,905	11,559	–	–
Scotia Canadian Small Cap Fund	664,392	830,249	–	–
Scotia Resource Fund	259,495	120,434	–	–
Scotia Cassels North American Equity Fund	350,738	293,156	–	–
Scotia American Stock Index Fund	3,220	5,559	–	–
Scotia American Growth Fund	214,266	320,989	–	–
Scotia Cassels U.S. Equity Fund	52,833	14,889	–	–
Scotia CanAm Stock Index Fund	–	33,945	–	–
Scotia Nasdaq Index Fund	–	5,506	–	–
Scotia Young Investors Fund	18,394	11,112	–	–
Scotia International Stock Index Fund	–	98,970	–	–
Scotia Global Growth Fund	87,730	104,474	–	–
Scotia Cassels International Equity Fund	374,748	133,876	–	2,450
Scotia European Growth Fund	78,454	101,150	70	4,603
Scotia Pacific Rim Growth Fund	83,963	69,686	–	–
Scotia Latin American Growth Fund	248,472	217,420	–	–

Soft dollar commissions are arrangements pursuant to which products or services, other than the execution of portfolio securities transactions, are obtained by an adviser from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer.

8. Securities Lending

The Funds have entered into a securities lending program with their custodian, The Bank of Nova Scotia (“BNS”). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the net assets of the Fund.

The Funds receive collateral of at least 102% of the value of the securities on loan. Collateral is received in the form of debt obligations of the Government of Canada, Canadian provincial and municipal governments or financial institutions, and is not included in the Statements of Investment Portfolio. The aggregated dollar values of the securities on loan and the collateral received by the Funds as at December 31, 2006 as follows:

	Market Value of Securities on Loan	Market Value of Collateral Received
Scotia Premium T-Bill Fund	\$ 1,994,056	\$ 2,397,821
Scotia Money Market Fund	12,961,364	13,950,559
Scotia Canadian Bond Index Fund	12,695,805	13,498,769
Scotia Mortgage Income Fund	10,979,420	11,727,167
Scotia Canadian Income Fund	759,751,839	800,264,718
Scotia Cassels Canadian Corporate Bond Fund	399,417	501,063
Scotia CanGlobal Income Fund	2,861,836	3,176,092
Scotia Diversified Monthly Income Fund	21,515,647	23,396,422
Scotia Canadian Balanced Fund	334,951,142	352,830,634
Scotia Total Return Fund	36,649,900	38,745,932
Scotia Canadian Stock Index Fund	16,850,593	17,913,259
Scotia Canadian Dividend Fund	129,974,625	136,337,949
Scotia Canadian Blue Chip Fund	12,177,866	12,977,970
Scotia Canadian Growth Fund	46,840,810	50,046,179
Scotia Cassels Canadian Equity Fund	2,082,201	2,280,407
Scotia Canadian Small Cap Fund	20,622,306	21,881,020
Scotia Resource Fund	12,973,205	14,387,916
Scotia Cassels North American Equity Fund	8,555,500	9,016,249
Scotia American Stock Index Fund	261,849	281,649
Scotia American Growth Fund	1,171,692	1,246,806
Scotia Young Investors Fund	13,841	15,088
Scotia Global Growth Fund	2,159,890	2,447,700
Scotia European Growth Fund	271,331	292,663

9. Related Party Transactions

(a) The brokerage fees paid to Scotia Capital Inc., a wholly-owned subsidiary of BNS, and an affiliate of the Manager, during the respective twelve-month period ended December 31, are as follows:

	2006	2005
Scotia Diversified Monthly Income Fund	\$ 7,305	\$ 2,533
Scotia Canadian Balanced Fund	24,427	49,081
Scotia Total Return Fund	18,647	23,605
Scotia Canadian Stock Index Fund	1,594	335
Scotia Canadian Dividend Fund	49,732	65,679
Scotia Canadian Blue Chip Fund	15,021	70,144
Scotia Canadian Growth Fund	15,253	51,253
Scotia Cassels Canadian Equity Fund	1,038	200
Scotia Canadian Small Cap Fund	14,664	29,958
Scotia Resource Fund	12,770	4,368
Scotia Cassels North American Equity Fund	24,510	3,121
Scotia Global Growth Fund	1,063	1,143
Scotia European Growth Fund	–	35

- (b) The Manager, a wholly-owned subsidiary of the BNS, is the trustee, manager and principal distributor of the Funds. As at December 31 of each of the following years, the Manager held the following number of units in the following Funds:

	2006	2005
Scotia Young Investors Fund	772,184	772,184
Capital U.S. Small Companies Fund	493,298	493,298
Capital Global Discovery Fund	478,047	478,047
Capital Global Small Companies Fund	542,327	542,327

- (c) Scotia Mortgage Income Fund purchases and sells mortgages from or to Scotia Mortgage Corporation, a wholly-owned subsidiary of the BNS, at an amount which will produce a yield to the Fund of not more than one-quarter of one percent less than the interest rate at which BNS is making similar commitments.

BNS has agreed to repurchase from Scotia Mortgage Income Fund any mortgage purchased from Scotia Mortgage Corporation at such time as the mortgage is in default. The price of such repurchase is equal to the principal value plus unpaid interest. There are no mortgages in arrears as at December 31, 2006.

Mortgage service fees of \$1,296,286 were paid to Scotia Mortgage Corporation for the twelve month period ended December 31, 2006.

- (d) The Manager may enter into transactions and service arrangements with its affiliates. Scotia Capital Inc. may be involved in the purchase and sale of portfolio securities and forward contracts. Scotia Cassels Investment Counsel Limited and Scotia Capital Inc. are portfolio advisors for certain Funds. BNS acts as custodian of the Funds and as counter party to derivatives contracts for certain Funds.

10. Significant Subsequent Events

- (a) The Manager proposes to merge certain Funds as set out below:
- (i) Scotia Young Investors Fund will merge into Scotia Global Growth Fund; and
 - (ii) Capital U.S. Small Companies Fund will merge into Capital Global Small Companies Fund (individually a “Merger” and collectively, the “Mergers”).

Pursuant to each Merger, unitholders of Scotia Young Investors Fund and Capital U.S. Small Companies Fund (the “Terminating Funds”) will exchange units of each of their respective Funds for units of Scotia Global Growth Fund and Capital Global Small Companies Fund (the “Continuing Funds”), respectively, on a class-by-class and dollar-for-dollar basis. The Manager will be seeking unitholder and regulatory approval in connection with each Merger.

Unitholders will be asked to approve the Mergers at special meetings to be held on or about April 5, 2007 in Toronto, Ontario. If approved, each Merger will take effect after the close of business on or about April 20, 2007. The Manager intends to wind up each of the Terminating Funds as soon as reasonably possible following the Mergers.

- (b) The Manager proposes to change the investment objectives of each of Capital U.S. Large Companies Fund, Capital International Large Companies Fund, Capital Global Discovery Fund and Capital Global Small Companies Fund (collectively, the “Capital Funds”) as follows:

Fund	Current Investment Objectives	Proposed Investment Objectives
Capital U.S. Large Companies Fund	To achieve long-term growth of capital through exposure primarily to equity securities of large U.S. issuers and securities whose principal markets are in the U.S. (including ADRs and other U.S. registered foreign securities) by investing its assets in Class I units of Capital International-U.S. Equity.	The fund’s objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.
Capital International Large Companies Fund	To achieve long-term growth of capital through exposure to securities of large capitalization issuers located outside North America by investing its assets in Class I units of Capital International-International Equity.	The fund’s objective is to achieve long-term capital growth. It invests primarily in securities of companies located outside of the U.S.
Capital Global Discovery Fund	To achieve long-term growth of capital through exposure to stocks of companies in the services and information area of the global economy by investing its assets in Class I units of Capital International-Global Discovery.	The fund’s objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.
Capital Global Small Companies Fund	To achieve long-term growth of capital through exposure to equity securities of companies located around the world with relatively small market capitalizations of approximately \$75 million to \$2.25 billion at the time of investment by investing its assets in Class I units of Capital International-Global Small Cap.	The fund’s objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

The Manager will be seeking the approval of unitholders of each of the Capital Funds with respect to the above change of investment objectives at special meetings to be held on or about April 5, 2007. Subject to such approval, the change of investment objectives for the Capital Funds will take effect after the close of business on or about

April 20, 2007, at which time each Capital Fund's name will be changed as set out below.

Fund	New Name
Capital U.S. Large Companies Fund	Scotia U.S. Value Fund
Capital International Large Companies Fund	Scotia International Value Fund
Capital Global Discovery Fund	Scotia Global Opportunities Fund
Capital Global Small Companies Fund	Scotia Global Small Cap Fund

- (c) The Manager will change the name of Scotia Total Return Fund to Scotia Canadian Tactical Asset Allocation Fund effective April 23, 2007.

11. Accounting Guideline Changes

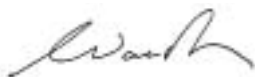
The Accounting Standards Board (AcSB) of the Canadian Institute of Chartered Accountants has modified Accounting Guideline 15, Consolidation of Variable Interest Entities (AcG-15) and Accounting Guideline 18, Investment Companies (AcG-18), to remove the requirement to consolidate an investment when an investment company is determined to be the primary beneficiary of another investment company that qualifies as a variable interest entity. The resulting amendments were applied retroactively, with early adoption.

Management's Responsibility For Financial Reporting

The accompanying financial statements have been prepared by management of the Funds and approved on behalf of the Board of Directors of Scotia Securities Inc. Management is responsible for the information and representations made in these financial statements.

Scotia Securities Inc. maintains appropriate processes to ensure that accurate, relevant and reliable financial information is produced. The financial statements have been produced in accordance with Canadian generally accepted accounting principles and include certain amounts based on estimates and assumptions made by Scotia Securities Inc. The significant accounting policies which Scotia Securities Inc. believes are appropriate for the Funds are described in Note 2 to the financial statements.

Ernst & Young LLP and Gaviller & Company LLP are the external auditors of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on the financial statements. Their report is set out on page 134.



Walter Pavan
Chief Financial Officer and Treasurer
Scotia Securities Inc.

January 31, 2007

Auditors' Report

To the Unitholders of

- (1) Scotia T-Bill Fund;
 - (2) Scotia Premium T-Bill Fund;
 - (3) Scotia Money Market Fund;
 - (4) Scotia CanAm U.S. \$ Money Market Fund;
 - (5) Scotia Canadian Bond Index Fund;
 - (6) Scotia Mortgage Income Fund;
 - (7) Scotia Cassels Canadian Bond Fund;
 - (8) Scotia Cassels Canadian Corporate Bond Fund;
 - (9) Scotia CanAm U.S. \$ Income Fund;
 - (10) Scotia Diversified Monthly Income Fund;
 - (11) Scotia Total Return Fund;
 - (12) Scotia Selected Income & Modest Growth Fund;
 - (13) Scotia Selected Balanced Income & Growth Fund;
 - (14) Scotia Selected Conservative Growth Fund;
 - (15) Scotia Selected Aggressive Growth Fund;
 - (16) Scotia Partners Income & Modest Growth Portfolio;
 - (17) Scotia Partners Balanced Income & Growth Portfolio;
 - (18) Scotia Partners Conservative Growth Portfolio;
 - (19) Scotia Partners Aggressive Growth Portfolio;
 - (20) Scotia Vision Conservative 2010 Fund;
 - (21) Scotia Vision Aggressive 2010 Fund;
 - (22) Scotia Vision Conservative 2015 Fund;
 - (23) Scotia Vision Aggressive 2015 Fund;
 - (24) Scotia Vision Conservative 2020 Fund;
 - (25) Scotia Vision Aggressive 2020 Fund;
 - (26) Scotia Vision Conservative 2030 Fund;
 - (27) Scotia Vision Aggressive 2030 Fund;
 - (28) Scotia Canadian Blue Chip Fund;
 - (29) Scotia Canadian Growth Fund;
 - (30) Scotia Cassels Canadian Equity Fund;
 - (31) Scotia Resource Fund;
 - (32) Scotia Cassels North American Equity Fund;
 - (33) Scotia American Growth Fund;
 - (34) Scotia Cassels U.S. Equity Fund;
 - (35) Scotia CanAm Stock Index Fund;
 - (36) Scotia Nasdaq Index Fund;
 - (37) Scotia Young Investors Fund;
 - (38) Scotia International Stock Index Fund;
 - (39) Scotia Global Growth Fund;
 - (40) Scotia Cassels International Equity Fund;
 - (41) Scotia European Growth Fund;
 - (42) Scotia Pacific Rim Growth Fund;
 - (43) Scotia Latin American Growth Fund;
 - (44) Capital U.S. Large Companies Fund;
 - (45) Capital U.S. Small Companies Fund;
 - (46) Capital International Large Companies Fund;
 - (47) Capital Global Discovery Fund;
 - (48) Capital Global Small Companies Fund;
 - (49) Scotia Canadian Income Fund;
 - (50) Scotia CanGlobal Income Fund;
 - (51) Scotia Canadian Balanced Fund;
 - (52) Scotia Canadian Stock Index Fund;
 - (53) Scotia Canadian Dividend Fund;
 - (54) Scotia Canadian Small Cap Fund;
 - (55) Scotia American Stock Index Fund;
- collectively referred to as "Scotia Mutual Funds"

We have audited the statements of net assets of the Scotia Mutual Funds as at December 31, 2006 and 2005, the statements of investment portfolios as at December 31, 2006 and the statements of operations and changes in net assets for the years or periods then ended. For Funds 7, 10, 20 – 27, 30, 32, 34 and 40, the financial statements are for the period from June 10, 2005 to December 31, 2005 and for the year ended December 31, 2006; for all other Funds, the financial statements are for the years then ended December 31, 2006 and 2005. These financial statements are the responsibility of the Scotia Mutual Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether these financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Scotia Mutual Funds' management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and the investment portfolios of the Scotia Mutual Funds, and the results of their operations and the changes in their net assets for the years or periods then ended as indicated above in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Ernst & Young LLP
Chartered Accountants
as to Funds (1) to (48)
Toronto, Canada
February 16, 2007

Gaviller & Company LLP

Gaviller & Company LLP
Chartered Accountants
as to Funds (49) to (55)

FOR MORE INFORMATION ABOUT

Scotia Mutual Funds

please call

1 800 268-9269 (English)

1 800 387-5004 (French)

www.scotiabank.com

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