

The Pinnacle Portfolios
Annual Information Form

Pinnacle Balanced Income Portfolio

Pinnacle Conservative Balanced Growth Portfolio

Pinnacle Balanced Growth Portfolio

Pinnacle Conservative Growth Portfolio

Pinnacle Growth Portfolio

No securities regulatory authority has expressed an opinion about these units. It is in an offence to claim otherwise.

The Pinnacle Portfolios and the units they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission. Units of the Pinnacle Portfolios may be offered and sold in the United States only in reliance on exemptions from registration.

April 20, 2009

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NAME, FORMATION AND HISTORY OF THE PINNACLE PORTFOLIOS

This is the Annual Information Form of Pinnacle Balanced Income Portfolio, Pinnacle Conservative Balanced Growth Portfolio, Pinnacle Balanced Growth Portfolio, Pinnacle Conservative Growth Portfolio and Pinnacle Growth Portfolio (in this document we refer to these funds individually as a “**Portfolio**” or collectively as the “**Portfolios**”).

ScotiaMcLeod, a division of Scotia Capital Inc. (“**ScotiaMcLeod**”, “**we**” or “**us**”), is the manager and the trustee of the Portfolios. The head office and principal place of business of the Portfolios is the head office of ScotiaMcLeod, Scotia Plaza, 40 King Street West, P.O. Box 4085, Station “A”, Toronto, Ontario M5W 2X6. ScotiaMcLeod can also be contacted via telephone toll-free, at 1-800-530-0197 (416-506-8404 in Toronto) or via email through ScotiaMcLeod’s website at www.scotiacleod.com. Information regarding ScotiaMcLeod can be obtained on ScotiaMcLeod’s website at www.scotiacleod.com.

The following chart describes the manner in which each Portfolio was created:

Name of Portfolio	Jurisdiction	Creation and Amendments
Pinnacle Balanced Income Portfolio	Ontario	April 22, 2005 <ul style="list-style-type: none"> • Master Declaration of Trust December 22, 2008 <ul style="list-style-type: none"> • Master Declaration of Trust amended and restated
Pinnacle Conservative Balanced Growth Portfolio	Ontario	April 22, 2005 <ul style="list-style-type: none"> • Master Declaration of Trust December 22, 2008 <ul style="list-style-type: none"> • Master Declaration of Trust amended and restated
Pinnacle Balanced Growth Portfolio	Ontario	April 22, 2005 <ul style="list-style-type: none"> • Master Declaration of Trust December 22, 2008 <ul style="list-style-type: none"> • Master Declaration of Trust amended and restated

Name of Portfolio	Jurisdiction	Creation and Amendments
Pinnacle Conservative Growth Portfolio	Ontario	April 22, 2005 <ul style="list-style-type: none"> • Master Declaration of Trust December 22, 2008 <ul style="list-style-type: none"> • Master Declaration of Trust amended and restated
Pinnacle Growth Portfolio	Ontario	April 22, 2005 <ul style="list-style-type: none"> • Master Declaration of Trust December 22, 2008 <ul style="list-style-type: none"> • Master Declaration of Trust amended and restated

INVESTMENT RESTRICTIONS AND PRACTICES

The Portfolios' simplified prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors for each of the Portfolios. In addition, each Portfolio and each underlying fund in which the Portfolio invests (individually, an “**Underlying Fund**” and collectively, the “**Underlying Funds**”) is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102, (the “**Instrument**”) which are designed in part to ensure that the investments of the Portfolios are diversified and relatively liquid and to ensure the appropriate administration of the Portfolios. Each Portfolio is managed in accordance with these restrictions and practices.

Before a fundamental change is made to the fundamental investment objectives of a Portfolio, the prior approval of unitholders of such Portfolio is required. This approval must be given by a resolution passed by at least a majority of the votes cast at a meeting of unitholders of such Portfolio.

Related Party Investments

The Independent Review Committee has reviewed ScotiaMcLeod's policies and procedures related to investing in securities of related parties and has given its approval, as a standing instruction, for the Portfolios to invest in such related party securities. Pursuant to this standing instruction and any conditions set out in the standing instruction, the Portfolios may purchase common shares and other securities of The Bank of Nova Scotia (“**Scotiabank**”).

DESCRIPTION OF UNITS OF THE PORTFOLIOS

Each of the Portfolios is authorized to issue an unlimited number of units (the “**Units**”), each of which represents an equal undivided interest in the property of the

Portfolio. All Units of a Portfolio are of a single class. The Units have the following characteristics.

Distribution Rights

Units will generally be entitled to equal participation in the distribution of the net income of a Portfolio, which is all income and capital gains less expenses and losses of the Portfolio.

Redemption Rights

Holders of Units are entitled to require a Portfolio to redeem their Units as described under “**Redemption of Units**”.

Liquidation Rights

Units of a Portfolio will be entitled to a distribution on liquidation equal to the net assets of the Portfolio, which are the assets less expenses of the Portfolio.

Voting Rights

Each unitholder of a Portfolio is entitled to vote on certain amendments to the Master Declaration of Trust of the Portfolio in accordance with such document or where required by securities legislation. At a unitholder meeting called to vote on these issues, the unitholder will be entitled to one vote per whole Unit.

The following matters require unitholder approval pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to a Portfolio or directly to unitholders in a way that could result in an increase in charges to the Portfolio or the unitholders. No unitholder approval will be required if written notice is sent to all unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Portfolio;
- introducing a fee or expense, to be charged to a Portfolio or directly to its unitholders by the Portfolio or the manager in connection with holding Units, in a way that could result in an increase in charges to the Portfolio or its unitholders;
- changing the manager of a Portfolio other than to an affiliate of ScotiaMcLeod;
- changing the fundamental investment objectives of a Portfolio;
- decreasing the frequency of the calculation of net asset value (for description of net asset value, please see “**Calculation of Net Asset Value**”);

- only in circumstances where the conditions of National Instrument 81-107 have not been complied with, where a Portfolio undertakes a reorganization with, or transfers its assets to another mutual fund, and the Portfolio ceases to continue after the reorganization and the transaction results in unitholders of the Portfolio becoming unitholders of the other mutual fund; and
- where a Portfolio undertakes a reorganization with, or acquires assets from another mutual fund, continues after such reorganization and the transaction results in the unitholders of the other mutual fund becoming unitholders of the Portfolio and the transaction would be a significant change to the Portfolio.

HOW UNITS ARE VALUED

Calculation of Net Asset Value

How much a Portfolio is worth is called its “**net asset value**”. When a Portfolio calculates its net asset value, it determines the market value of all of its assets and subtracts all of its liabilities. The net asset value of a Unit is determined on any valuation date by dividing the net asset value of the Portfolio by the number of outstanding Units. A Unit’s net asset value is very important because it is the basis on which Units of the Portfolio are purchased and redeemed. The net asset value per Unit of a Portfolio varies from day to day. Each Portfolio calculates the net asset value of the Units at the close of business on each valuation date. Every day that the Toronto Stock Exchange is open for trading or each other day required for tax, accounting or distribution purposes of each year is a “**Valuation Date**”. In unusual circumstances, calculation of the net asset value per unit may be suspended, subject to obtaining any necessary regulatory approval. Aside from a transactional cash account, the Portfolios intend to invest exclusively in units of the Underlying Funds.

Valuation of Portfolio Securities and Liabilities

The net asset value of a Portfolio must be calculated using the fair value of the Portfolio’s assets and liabilities.

The value of the assets of a Portfolio are calculated using the following valuation principles:

1. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date as of which the net asset value is being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless ScotiaMcLeod has determined that any such amount is not worth the full amount thereof, in which event the value shall be the fair value as determined by ScotiaMcLeod;

2. the net asset value of an Underlying Fund is the net asset or similar value of the units of the Underlying Fund as provided by the manager or administrator (or any party acting in a similar capacity) of the Underlying Fund and made available to ScotiaMcLeod as of a date proximate to the relevant Valuation Date, whether or not the units of the Underlying Fund are listed on a stock exchange. If the net asset value or similar value of an Underlying Fund is not available to ScotiaMcLeod on a Valuation Date, the value shall be based on an estimate provided by the manager or administrator (or any other party acting in a similar capacity) of the Underlying Fund or in such other manner as ScotiaMcLeod shall determine. ScotiaMcLeod may rely on any values or quotations that are supplied to it by the manager or administrator (or any other party acting in a similar capacity) of the Underlying Fund and ScotiaMcLeod shall not be required to make any investigations or inquiries as to the accuracy or validity of such values or quotations. ScotiaMcLeod shall be held harmless and shall not be responsible nor liable for any loss or damage resulting or arising from such reliance; and
3. the value of any security or other asset for which a market quotation is not readily available, will be its fair value on that day determined in such manner as ScotiaMcLeod deems to be appropriate.

For the purpose of any conversion of monies from any other currency to Canadian currency, the current rate of exchange as quoted to a Portfolio by its bankers as nearly as practicable at the time as of which the net asset value is being computed shall be used.

ScotiaMcLeod has not exercised its discretion to deviate from the valuation principles described above in the last three years.

ScotiaMcLeod will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

While National Instrument 81-106 requires investment funds, such as the Portfolios, to fair value, it does not require investment funds to determine fair value in accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook. The Portfolios calculate the net asset value of the securities of the Portfolios on the basis of the valuation principles set forth in this Annual Information Form. The valuation principles of the Portfolios differs in some respects from the requirements of the CICA Handbook, which are used for financial reporting purposes. The main differences are that we generally will determine the fair value of (i) securities traded on a stock exchange, by using the closing price on the exchange and (ii) bonds, debentures and other debt obligations, by using the average of bid and ask prices, rather than the bid price as required under the CICA Handbook.

PURCHASES AND SWITCHES OF UNITS

Units of the Portfolios are offered for sale on a continuous basis without any sales commissions or other sales charges payable by you on your purchase. The minimum initial investment per Portfolio is \$25,000 and the minimum subsequent investment is \$100. Units will be issued at the net asset value per Unit next determined after the receipt by the Portfolio of the purchase order.

If the Portfolio has not received from you within three business days of the Valuation Date payment in full of the purchase price for your order, together with all necessary documents, then under applicable securities regulations and policies, the Portfolio will be deemed to have received from you and accepted on the next Valuation Date a redemption order for the same number of Units. If the amount of the redemption proceeds exceeds the purchase price of the Units, the surplus will be retained by the Portfolio. If the redemption proceeds are less than the purchase price, the Portfolio will be entitled to reimbursement from you or your dealer of that amount together with any additional costs and expenses of collection.

ScotiaMcLeod may reject a purchase order from you if you've made several purchases and redemptions (including switches) of a Portfolio within a short period of time, usually 31 days.

No certificates for the Units will be issued.

Switches are permitted from Units of one Portfolio into Units of another Portfolio provided the minimum investment requirements are met. The rules applicable to purchases and redemptions of Units also apply to switches.

Service Fees

Dealers (including ScotiaMcLeod) are compensated in connection with certain ongoing services they provide to investors in the Portfolios. As manager of the Portfolios, ScotiaMcLeod pays no more frequently than monthly, a service fee to dealers at a maximum annual rate of 1.30% of the value of Units you hold.

REDEMPTION OF UNITS

You may require a Portfolio to redeem your Units of the Portfolio by delivering to us a request in writing that a specified dollar amount be redeemed. Units will be redeemed at the net asset value per Unit next determined after the receipt by the Portfolio of the redemption order. Redemption proceeds will be deposited into your account within three business days of receipt of the documents required to complete the redemption. Upon request ScotiaMcLeod will mail to you a cheque representing the redemption proceeds or will deposit the proceeds into a designated account, provided that your cheque in payment for the purchase of any of the Units being redeemed has cleared.

If all necessary documents are not received by ScotiaMcLeod within 10 business days, under applicable securities regulations and policies, ScotiaMcLeod will be deemed to

have received and accepted, as at the 10th business day after the redemption, an order for the purchase of an equal number of Units. If the amount of the purchase price exceeds the redemption proceeds of the Units, the Portfolio will be entitled to reimbursement from you or your dealer of that amount together with any additional costs and expenses of collection. If the amount of the purchase price is less than the redemption proceeds, the surplus will be retained by the Portfolio.

ScotiaMcLeod reserves the right to redeem Units in any account at the net asset value thereof if at any time the aggregate net asset value of such Units is less than \$100. ScotiaMcLeod will give 30 days written notice before redeeming such Units.

Each Portfolio reserves the right to suspend the right of redemption or to postpone the date of payment of redeemed Units: (i) for any period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities of the Portfolios are listed and traded, or on which permitted derivatives are traded, which represent more than 50% by value or underlying market exposure of the total assets of the Portfolios without allowance for liabilities if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practicable alternative for the Portfolios; or (ii) with the consent of the Canadian securities regulators, for any period during which ScotiaMcLeod determines that conditions exist as a result of which disposal of the assets owned by a Portfolio is not reasonably practicable or it is not reasonably practicable to determine fairly the value of its assets. In the case of suspension of the right of redemption, you may either withdraw your redemption request or receive payment based on the net asset value per Unit next determined after the termination of the suspension.

A Portfolio may charge you a short-term trading fee of up to 2 percent of the amount you redeem or switch, if you redeem or switch your Units within 31 days of buying them. This fee does not apply to rebalancing that is part of any automatic rebalancing service offered by ScotiaMcLeod. If securities regulations mandate the adoption of specified policies relating to short-term trading, the Portfolios will adopt such policies if and when implemented by the securities regulators. If required, these policies will be adopted without amendment to the simplified prospectus or annual information form of the Portfolios and without notice to you, unless otherwise required by such regulations.

TAX TREATMENT OF YOUR INVESTMENT

In the opinion of Torys LLP, legal counsel to the Portfolios, the following general summary fairly presents the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “**Tax Act**”), as of the date hereof, for the Portfolios and for unitholders who, for purposes of the Tax Act are individuals (other than trusts) resident in Canada, hold their Units as capital property and deal at arm’s length with the Portfolios. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by, or on behalf of, the Minister of Finance (Canada) (the “**Minister**”) prior to the date hereof (the “**Tax Proposals**”), and counsel’s understanding of the current

published administrative and assessing practices and policies of the Canada Revenue Agency (“CRA”). This summary does not take into account or anticipate any changes in the law other than the Tax Proposals whether by legislative, administrative or judicial action, and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which might differ from the federal considerations.

Counsel has been advised that the Portfolios will be “mutual fund trusts” within the meaning of the Tax Act at all material times and this summary assumes this will be the case. If these Portfolios were to fail to qualify as a mutual fund trust at any time, the tax considerations could in some respect be materially different from those described herein.

This summary is not exhaustive of all possible federal income tax considerations. This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Investors are advised to consult their own tax advisors with respect to their individual circumstances.

Tax Treatment of the Portfolios

Counsel has been advised that the policy of each Portfolio is to distribute its net income and net realized capital gains for each taxation year to unitholders to such an extent that it is not liable in any year for ordinary tax on its net income and net realized capital gains under Part I of the Tax Act (after taking into account any applicable losses and any capital gains refund to which the Portfolio is entitled). The “suspended loss” rules in the Tax Act may prevent a Portfolio from recognizing capital losses on the disposition of securities in certain circumstances, which may increase the amount of net realized capital gains in the Portfolio to be paid to unitholders.

All of a Portfolio’s deductible expenses will be taken into account in determining the income or loss of the Portfolio as a whole and applicable taxes payable by the Portfolio as a whole.

Each Portfolio is required to compute its net income and net realized capital gains in Canadian dollars for purposes of the Tax Act. As a consequence, each Portfolio which holds foreign currency or foreign currency-denominated investments may realize gains or losses by virtue of changes in the value of foreign currency relative to the Canadian dollar.

Generally, a Portfolio is required to treat a gain or loss on derivatives as being on income account for tax purposes rather than being a capital gain or capital loss and will recognize such gain or loss for tax purposes at the time it is realized by the Portfolio.

Recently enacted amendments to the Tax Act significantly change the income tax treatment of most publicly traded trusts and partnerships (other than certain real estate investment trusts) and distributions or allocations, as the case may be, from these entities to their investors (the “SIFT Rules”). In particular, certain income earned by these entities will be taxed in a manner similar to income earned by a corporation and distributions or allocations made by these entities to investors will be taxed in a manner similar to dividends from taxable Canadian corporations. This dividend will be deemed as an eligible dividend for the enhanced dividend tax credit if paid or allocated to a resident of Canada.

The SIFT Rules are effective for the 2007 taxation year for trusts and partnerships that commenced public trading after October 31, 2006, but will be delayed until the 2011 taxation year for income trusts and limited partnerships that were publicly traded prior to November 1, 2006, provided there is no “undue expansion” of the trust or partnership in the intervening period. If the Underlying Funds in which a Portfolio invests holds interests in publicly traded trusts or partnerships that have become subject to this tax, the amount available for distribution to the Portfolio would be reduced under the SIFT Rules.

Tax Treatment of Unitholders

In computing income for a taxation year for tax purposes, a unitholder of a Portfolio is required to include the portion of the Portfolio’s net income and the taxable portion of the Portfolio’s net realized capital gains (each computed in Canadian dollars) paid or payable by the Portfolio to the unitholder in the year (whether or not those amounts are reinvested in Units of the Portfolio) to the extent that the Portfolio deducts these amounts in computing its income for tax purposes. Any amount in excess of the net income and net realized taxable capital gains of the Portfolio that is paid or payable to a unitholder in a year should not generally be included in computing such unitholder’s income for the year. However, the payment by the Portfolio of such excess amount, other than as proceeds of disposition of a unit or part thereof and other than the portion, if any, of that excess amount that represents the non-taxable portion of net realized capital gains of the Portfolio, will generally reduce the adjusted cost base of a unitholder’s Units. If the adjusted cost base of a unitholder’s Units would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of units and the adjusted cost base of the Units will then be increased by the amount of such gain.

Counsel has been advised that each Portfolio designates, to the extent permitted by the Tax Act, the portion of the net income distributed to unitholders as may be reasonably considered to consist of respectively, (i) taxable dividends received by the Portfolio on securities of taxable Canadian corporations; and (ii) net taxable capital gains of the Portfolio. Any such designated amount is deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. In the case of a unitholder who is an individual, the dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation applies to such dividends. An “eligible dividend” as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. Counsel has been advised that to the extent available under the Tax Act and CRA’s administrative practice the Portfolios will pass on to unitholders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit. More specifically, a Portfolio will designate, to the extent permitted, any eligible dividends received by the Portfolio as eligible dividends to the extent such dividends are included in distributions to unitholders. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains. In addition, each Portfolio may similarly make designations in respect of income from foreign sources so that, for the purposes of computing any foreign tax credit to a unitholder, the unitholder is deemed to have paid as tax to the government of a foreign country the portion of the tax paid by the Portfolio to that country that is equal to the unitholder’s share of the

Portfolio's income from sources in that country. Counsel has been advised that unitholders will be advised each year of the composition of amounts distributed to them.

Any fees payable directly by unitholders to ScotiaMcLeod may be deductible by unitholders for tax purposes to the extent such fees are reasonable and represent fees for services provided to unitholders in respect of the administration and management of their assets. Unitholders should contact their own tax advisors with respect to the extent to which fees payable by them to ScotiaMcLeod may be deductible.

Upon the actual or deemed disposition of a Unit of a Portfolio, including the redemption of a Unit on a switch between one Portfolio and another, a capital gain (or a capital loss) is generally realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the adjusted cost base to the unitholder of the Unit and any reasonable costs of disposition. Unitholders of a Portfolio must calculate the adjusted cost base separately for Units of each Portfolio owned. In general, the adjusted cost base of each Unit of a particular Portfolio held by a unitholder is the amount by which the total amount paid for all Units of that Portfolio (including the amount of Portfolio distributions reinvested in additional Units of that Portfolio) exceeds the adjusted cost base of Units redeemed and the total of all returns of capital received on the Units divided by the total number of Units of that Portfolio held by the unitholder.

Generally, one-half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses may only be deducted against taxable capital gains, subject to detailed rules in the Tax Act.

Tax Deferred Plans

Counsel has been advised that each of the Portfolios is expected to be a "mutual fund trust" for purposes of the Tax Act at all material times. In addition, counsel has been advised that all of the Portfolios are registered investments for tax purposes. Units of the Portfolios are therefore "qualified investments" for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. However, you may be subject to a penalty tax if the Units are a "prohibited investment" for the purposes of a tax-free savings account as set out in the Tax Act. Unitholders should consult their own tax advisors in this regard.

Alternative Minimum Tax

Individuals, including certain trusts and estates, are subject to an alternative minimum tax. Such persons may be liable for this alternative minimum tax resulting from realized capital gains or dividends in respect of Units of a Portfolio.

HOW THE PORTFOLIOS ARE MANAGED AND ADMINISTERED

ScotiaMcLeod's Roles

ScotiaMcLeod, a division of Scotia Capital Inc., is the manager and trustee of each Portfolio. Scotia Capital Inc. is a subsidiary of Scotiabank.

As manager, ScotiaMcLeod is responsible for providing, or arranging for the provision of, the services and facilities necessary for the operation of the Portfolios, as well as all general management and administrative services. As manager, ScotiaMcLeod receives a fee from each Portfolio which includes compensation for ScotiaMcLeod's services as trustee of each Portfolio.

As trustee, ScotiaMcLeod has full control and authority over the assets, business, and affairs of the Portfolios on the terms outlined in the Portfolios' Master Declaration of Trust.

As portfolio advisor, Scotia Capital Inc. analyses potential investments and makes investment decisions. It is responsible for managing the investment portfolios of the Portfolios. The Portfolios provide access to the same portfolio advisors as the Underlying Funds in which they invest. The individual providing advice is as follows:

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Willo K. Watson	Director and Portfolio Manager	18 years	Director and Portfolio Manager, Scotia Capital Inc.

Directors of Scotia Capital Inc.

The names, municipalities of residence and principal occupations during the preceding five years for each of the directors of Scotia Capital Inc. are as follows:

Name and Municipality of Residence	<u>Position(s) Held</u>	<u>Principal Occupation</u>
Hamish B. Angus Toronto, Ontario	Managing Director and Director	Head of ScotiaMcLeod, Scotia Capital Inc.

Name and Municipality of Residence	<u>Position(s) Held</u>	<u>Principal Occupation</u>
Laurent Mareschal Toronto, Ontario	Director	Managing Director and Chief Financial Officer, Scotia Capital
Barbara Frances Mason Toronto, Ontario	President and Director	Executive Vice President, Wealth Management, Canada, The Bank of Nova Scotia
James Michael Durland Oakville, Ontario	Co-Chief Executive Officer and Co-Chairman and Director	Group Head, Global Capital Markets, Scotia Capital Inc.
Stephen Douglas McDonald Toronto, Ontario	Co-Chief Executive Officer and Co-Chairman and Director	Group Head, Global Corporate and Investment Banking, The Bank of Nova Scotia
Christopher Joseph Hodgson Toronto, Ontario	Director	Group Head, Canadian Banking, The Bank of Nova Scotia
Mary Cecilia Williams Mississauga, Ontario	Managing Director, Secretary and Director	Managing Director and Head of Compliance, Wealth Management, The Bank of Nova Scotia and Scotia Capital Inc.
Michael Kenneth Warman Georgetown, Ontario	Chief Financial Officer, Treasurer and Director	Chief Financial Officer, Scotia Capital Inc.

During the past five years, all of the directors of Scotia Capital Inc. have held their present principal occupations (or other positions with their present employer or its affiliates) with the following exceptions: Mary Cecilia Williams was employed by Canadian Imperial Bank of Commerce, serving as Vice President, Business Controls, CIBC Private Wealth Management and Imperial Service from August 2002 to September 2004.

Brokerage Arrangements

The purchase and sale of portfolio securities for a Portfolio is arranged through registered brokers and dealers selected by the portfolio advisor. If otherwise consistent with best execution in the opinion of the portfolio advisor, portfolio transactions may be executed with Scotia Capital Inc. Where purchases of the same security are being made by the portfolio advisor for the Portfolios and other accounts, the portfolio advisor is required to effect transactions on an equitable basis according to the size of the respective purchase commitments.

Registrar and Transfer Agent

International Financial Data Services (Canada) Limited (“**IFDS**”), Toronto, Ontario, is the registrar and transfer agent of the Portfolios and maintains the register of Units of the Portfolios at its principal office in Toronto, Ontario.

Custodian of Portfolio Securities

The Custodian for the Portfolios is State Street Trust Company Canada, Toronto, Ontario.

The Custodian Agreement permits State Street Trust Company Canada to appoint sub-custodians. State Street Trust Company Canada may appoint sub-custodians on the same terms and conditions it has with each of the Portfolios.

Auditor

The independent auditor of each of the Portfolios is PricewaterhouseCoopers LLP whose office is located in Toronto, Ontario.

Portfolio Governance

ScotiaMcLeod, the trustee and manager of the Portfolios, is responsible for the day-to-day administration and management of the Portfolios.

ScotiaMcLeod complies with National Instrument 81-105, *Mutual Fund Sales Practices*. ScotiaMcLeod has a code of ethics for personal investing which addresses certain potential conflicts of interest with respect to the Portfolios. In addition, ScotiaMcLeod has adopted guidelines for business conduct, which also addresses certain internal conflicts.

The Instrument prohibits ScotiaMcLeod from voting the securities of the Underlying Funds for which ScotiaMcLeod is also the manager. Accordingly, where the Underlying Funds are managed by ScotiaMcLeod, securities of those Underlying Funds will not be voted. Alternatively, arrangements may be made whereby unitholders of the Portfolios may vote their respective share of those securities.

Short-term Trades

Short-term trading by investors can increase a Portfolio’s expenses, which impacts all investors in the Portfolio, and can affect the economic interest of long-term investors. Short-term trading can affect a Portfolio’s performance by forcing the portfolio advisor to keep more cash in the Portfolio than would otherwise be required. To discourage short-term trading, a Portfolio may charge a fee of 2% of the amount an investor sells or switches, if an investor sells or switches units within 31 days of buying them. The fee may not apply to:

- transactions that do not exceed a certain minimum dollar amount, as determined by ScotiaMcLeod from time to time;
- trade corrections or any other transactions initiated by ScotiaMcLeod as manager of the Portfolios or Scotia Capital Inc. as portfolio advisor;
- automatic rebalancing that is part of the service offered by ScotiaMcLeod;
- transfers of Units of one Portfolio between two Scotia Capital Inc. accounts belonging to the same unitholder;
- regularly scheduled RIF or LIF payments; and
- regularly scheduled Automatic Withdrawal Plan payments.

IFDS monitors trading within the Portfolios on a daily basis and provides ScotiaMcLeod with a daily report on short-term trading activity in the Portfolios.

Independent Review Committee

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

The mandate of the IRC is to:

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

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

Each member of the IRC will receive a fee for each meeting of the IRC attended by the member as well as an annual retainer and will be reimbursed for reasonable expenses incurred. These fees and expenses will be allocated among the Portfolios in a manner considered fair and reasonable by ScotiaMcLeod. Details of any consideration paid by the Portfolios to the IRC members during the most recently completed financial year of the Portfolios will be available once the current financial year of the Portfolios has been completed.

OTHER STATUTORY INFORMATION ABOUT THE PORTFOLIOS

Principal Holders of Securities

As at April 1, 2009, the only person or company owning beneficially, directly or indirectly, or exercising control or direction over more than 10% of the issued and outstanding shares of Scotia Capital Inc. is Scotiabank, which owns 10,260,000 of Scotia Capital Inc.'s common shares, representing 95% of the common shares. Scotia McLeod, a division of Scotia Capital Inc., is the manager of the Portfolios.

As at April 1, 2009, no person or company owns beneficially, directly or indirectly, or exercises control or direction over more than 10% of the outstanding units of any of the Portfolios.

As at April 1, 2009, IRC members in aggregate, did not own beneficially, directly or indirectly, more than ten percent of the outstanding Units of a Portfolio. As at April 1, 2009, IRC members did not own any securities of ScotiaMcLeod or a service provider to the Portfolios or ScotiaMcLeod, other than common shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares of Scotiabank.

Material Contracts

Copies of the Master Declaration of Trust, the Master Management Agreement and the Custodian Agreement, (the "**Material Contracts**") are available for inspection at the head office of ScotiaMcLeod during normal business hours.

Master Declaration of Trust

Scotia Capital Inc. is signatory to the Master Declaration of Trust as trustee and manager.

ScotiaMcLeod may terminate a Portfolio at any time by giving each unitholder at least 60 days' prior written notice. During this 60 day period, and with the approval of the Ontario Securities Commission, the right of unitholders of the Portfolio to require payment for their Units may be suspended.

Master Management Agreement

The Master Management Agreement dated as of December 22, 2008 is negotiated between the manager and Scotia Capital Inc., in its capacity as trustee of each Portfolio.

As manager, ScotiaMcLeod receives a fee from each Portfolio pursuant to the terms of the Master Management Agreement. The Portfolios are required to pay federal goods and services tax (GST) on the fees they pay to the manager. The Portfolios pay all of their operating expenses. The Master Management Agreement may be terminated by ScotiaMcLeod giving the Portfolios 90 days' prior written notice or such shorter number of days as ScotiaMcLeod and the Portfolios may agree. The Master Management Agreement may be terminated by a Portfolio by a resolution passed by two-thirds of the votes cast by unitholders of the Portfolio at a meeting called for this purpose. For such a meeting, a quorum of unitholders representing at least one-third of the Units of the Portfolio is required. Lastly, the Master Management Agreement may be terminated immediately in the event of a bankruptcy or winding-up of Scotia Capital Inc. or the Portfolios.

Custodian Agreement

The Custodian Agreement for the Portfolios is between the Portfolios and State Street Trust Company Canada, dated as of January 29, 2002.

The Portfolios pay the Custodian all reasonable fees and expenses for custodial services, including safekeeping and administrative services. The Custodian Agreement may be terminated by either party giving 90 days' prior written notice to the other party.

Legal and Administrative Proceedings

There are no ongoing legal and administrative proceedings against ScotiaMcLeod relating to investors in the Portfolios or the Portfolios themselves.

Other Material Information

Dealer-Managed Funds

Subject to certain conditions, each of the Underlying Funds received an exemption from the Canadian securities regulators to invest in certain debt securities which, in the absence of such exemption, would be prohibited under the Instrument. Pursuant to the exemption, the Underlying Funds may:

- (a) invest in non-government debt securities even if a related party acts as an underwriter of such securities; and
- (b) purchase from, or sell to, related dealers that are principal dealers in the Canadian debt securities market, non-government debt securities or government debt securities in the secondary market.

In accordance with the terms and conditions of the exemption, the Underlying Funds will maintain policies and procedures in place to ensure that:

- (a) there is compliance with the conditions of the exemption;
- (b) investments in non-government debt securities underwritten by a related

underwriter are made in accordance with criteria for allocating such debt securities amongst the Underlying Funds;

- (c) written records of the details of each of the transactions completed in reliance on the exemption are maintained; and
- (d) transactions completed in reliance on the exemption are reviewed to ensure that they are made in the best interests of the applicable Underlying Funds.

The Underlying Funds may expand their participation in affiliated dealer underwritings if permitted by the securities regulatory authorities.

AUDITORS' CONSENT

We have read the simplified prospectus and annual information form of the Pinnacle Balanced Income Portfolio, Pinnacle Conservative Balanced Growth Portfolio, Pinnacle Balanced Growth Portfolio, Pinnacle Conservative Growth Portfolio and Pinnacle Growth Portfolio (the "Portfolios") dated April 20, 2009 relating to the issue and sale of units of the Portfolios. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through incorporation by reference in the above-mentioned simplified prospectus and annual information form of our report to the unitholders of the Portfolios on the statements of investment portfolio as at December 31, 2008, the statements of net assets as at December 31, 2008 and 2007, and the statements of operations and changes in net assets for the years then ended. Our report is dated March 9, 2009.

"PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

Toronto, Ontario

April 20, 2009

**CERTIFICATES OF THE FUNDS,
THE PROMOTER AND THE MANAGER**

April 20, 2009

Pinnacle Balanced Income Portfolio
Pinnacle Conservative Balanced Growth Portfolio
Pinnacle Balanced Growth Portfolio
Pinnacle Conservative Growth Portfolio
Pinnacle Growth Portfolio
(collectively, the “Portfolios”)

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

“Stephen Douglas McDonald”

Stephen Douglas McDonald
Co-Chief Executive Officer
Scotia Capital Inc.

“James Michael Durland”

James Michael Durland
Co-Chief Executive Officer
Scotia Capital Inc.

“Michael Kenneth Warman”

Michael Kenneth Warman
Chief Financial Officer
Scotia Capital Inc.

ON BEHALF OF
the Board of Directors of Scotia Capital Inc.,
as Promoter, Manager and Trustee of the Portfolios

“Mary Cecilia Williams”

Mary Cecilia Williams
Director

“Christopher Joseph Hodgson”

Christopher Joseph Hodgson
Director

THE PINNACLE PORTFOLIOS

Pinnacle Balanced Income Portfolio

Pinnacle Conservative Balanced Growth Portfolio

Pinnacle Balanced Growth Portfolio

Pinnacle Conservative Growth Portfolio

Pinnacle Growth Portfolio

Managed by:

ScotiaMcLeod
Scotia Plaza
40 King Street West
P.O. Box 4085, Station "A"
Toronto, Ontario
M5H 1H1

Toll Free: 1-800-530-0197
(416-506-8404 in Toronto)

Additional information about the Portfolios is available in the Portfolios' management reports of fund performance and financial statements. You can get a copy of the Portfolios' management reports of fund performance and financial statements, including a statement of portfolio transactions, at your request, and at no cost, by calling toll free 1-800-530-0197, or from your dealer by e-mail through ScotiaMcLeod's website at www.scotiamcleod.com.

These documents and other information about the Portfolios, such as information circulars and material contracts, are also available on the SEDAR website at www.sedar.com, or on the ScotiaMcLeod website at www.scotiamcleod.com.