



CI LINKED
DEPOSIT NOTES

The Bank of Nova Scotia CI 2X™ Deposit Notes, Series 1

On sale May 26 to July 31, 2008

Double up, with downside protection

Today's markets are anything but predictable. As a result, investors want to magnify the impact of their investments, while preserving their hard-earned capital. Now, a new note from CI Investments and Scotiabank provides double exposure to Signature Income & Growth Fund, a leading income balanced fund, along with the safeguard of principal protection if held to maturity.

200% - Twice the exposure
to Signature Income &
Growth Fund
+100% - Full principal protection
if held to maturity

Highlights

- Accelerated growth potential with 200% continuous exposure to Signature Income & Growth Fund
- Signature Global Advisors team actively manages asset allocation to capitalize on market conditions and reduce risk
- 100% principal protection if held to maturity
- 6.5-year term to maturity
- Reinvested distributions for tax-deferred growth*
- Tax efficient: potential capital gains treatment if sold before maturity*

*Investors should consult and rely on their own tax advisors.

A successful fund

Signature Income & Growth Fund is an income-oriented balanced fund from CI Investments with a strong track record – it holds the top five-star rating from Morningstar Canada and is first quartile over one, three and five years (as of April 30, 2008)*. The portfolio advisor is the awarding-winning Signature Global Advisors team, which manages over \$20 billion in equity, income and balanced funds.

Signature Income & Growth Fund invests in a broad range of asset classes, including government and corporate bonds, income trusts, preferred shares and dividend-paying common stocks. This diversification reduces risk and gives the managers the utmost flexibility to respond to changing market conditions, so they can take advantage of new opportunities as well as preserve capital.

*Source: Morningstar Canada. Part performance of Fund is not indicative of future performance of the Fund or the Notes.

A unique strategy

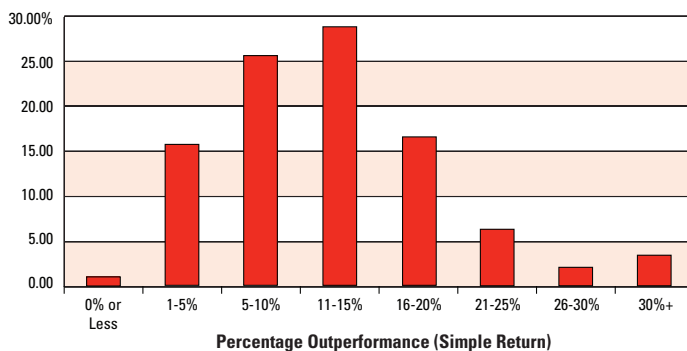
The Notes use a unique strategy that ensures continuous 200% exposure to the Fund throughout the term of the Notes. This is accomplished through a loan facility that rebalances daily, regardless of the performance of the Fund. This strategy allows you to double your exposure to the markets, while protecting your principal. Alternatively, you can invest half the capital that would otherwise be required to achieve the same exposure to the Fund.

The benefits of the Notes' strategy over the underlying Fund

Over rolling 6.5-year periods ending June 30, 2006 to April 30, 2008, the Notes would have outperformed a direct investment in the Fund 98.89% of the time. The average outperformance of the Notes would have been 11.92% over that time period.*

* There can be no assurance, and none is intended to be given, that the Notes will outperform a direct investment in the Fund at any time in the future.

Note Outperformance vs. Direct Fund Investment
Rolling 6.5 year periods ending 06/30/06 - 04/16/08



Source: Scotia Capital

A word about risk

With increased exposure to the underlying Fund comes increased risk. However, that risk can be managed since Signature Income & Growth Fund is broadly diversified and actively managed. In addition, investors' principal is 100% guaranteed by Scotiabank if held until maturity.

Available for sale until July 31, 2008.

For more information, contact your financial advisor or CI Client Services at 1-800-563-5181.

The information above must be read in conjunction with the attached Information Statement. **This document is a summary only of certain aspects of the Notes and you are urged to read the attached Information Statement in its entirety for complete information related to the Notes, including the risk factors.**

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisor as to whether the Notes are a suitable investment in light of the information set out in the Information Statement. None of the Bank including in its capacity as Calculation Agent or Scotia Capital Inc., including in its capacity as Selling Agent, makes any recommendation as to whether the Notes are a suitable investment for any person.

The Notes have certain investment characteristics that differ from conventional fixed-income investments in that they may not provide holders with any return or income stream prior to the Maturity Date, or a return at the Maturity Date that is calculated by reference to a fixed or floating rate of interest that is determinable prior to the Maturity Date. The return on the Notes (if any), unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that the Notes could produce no return on the holder's original investment. Therefore, the Notes are not suitable investments for a holder if the holder needs or expects to receive any return or a specific return on investment. The Notes are designed for holders with a long-term investment horizon who are prepared to hold the Notes to the Maturity Date and are prepared to assume risks with respect to a return tied to the performance of the Fund. Prospective purchasers should take into account additional risk factors associated with this Offering. **See "Risk Factors" in the attached Information Statement.**

If a holder sells Notes prior to the Maturity Date, the holder may have to do so at a discount from the Principal Amount even if the performance of the Fund has been positive and, as a result, the holder may suffer losses. In addition, an "Early Trading Charge" of up to 6.00% of the Principal Amount of a Note will apply if the holder sells a Note in the first two years following the issue date. The Notes are not redeemable by the holder. The Notes are generally not suitable for a holder who requires liquidity

prior to the Maturity Date. A holder should consult his or her investment advisor concerning whether it would be more favourable to the holder in the circumstances at any time, to sell the Notes (assuming the availability of a secondary market) or to hold the Notes until the Maturity Date. A holder should also consult his or her tax advisor as to the income tax consequences arising from a sale prior the Maturity Date as compared to holding the Notes until the Maturity Date.

The Notes are issued by The Bank of Nova Scotia. **The Notes are not deposits insured under the Canada Deposit Insurance Act or under any other deposit insurance regime.** The price to be paid by each holder upon issuance of a Note has been determined by agreement between the Bank and Scotia Capital Inc. (the "Selling Agent"). The Selling Agent is a subsidiary of the Bank. As a result, the Bank is a related issuer of the Selling Agent under applicable Canadian securities legislation.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or under any State securities laws and may not be offered or sold, directly or indirectly, in the United States, its territories or possessions to or for the account or benefit of US persons. The Notes may not be offered or sold to residents of any country or jurisdiction in Europe. The Notes are being offered and sold in Canada only. This is intended for information purposes only and is not, and under no circumstances is to be construed as, an offering of the Notes described herein, or as investment advice. This flyer is intended to be read in conjunction with the Information Statement. No securities commission or similar authority in Canada or elsewhere has reviewed or in any way passed upon this flyer or the Information Statement or the merits of the Notes described herein or therein, and any representation to the contrary is an offence.

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AMENDED AND RESTATED INFORMATION STATEMENT DATED JULY 16, 2008

This Amended and Restated Information Statement (the "Information Statement") amends, restates and replaces the Information Statement of the Bank in respect of the Notes dated May 21, 2008, as amended June 16, 2008 and June 24, 2008, in its entirety. This Information Statement has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to the Notes. This Information Statement constitutes an offering of these Notes only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Notes. No securities commission or similar authority in Canada has in any way passed upon the merits of the Notes offered hereunder and any representation to the contrary is an offence. The Notes offered under this Information Statement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any State securities laws and, subject to certain exceptions, may not be offered for sale, sold or delivered, directly or indirectly in the United States, its territories or possessions to or for the account or benefit of US persons within the meaning of Regulation S under the 1933 Act. In addition, the Notes may not be offered or sold to residents of any jurisdiction or country of Europe.



The Bank of Nova Scotia CI 2X™ Deposit Notes, Series 1

**\$50,000,000 Maximum
PRINCIPAL PROTECTED**

The Bank of Nova Scotia — CI 2X™ Deposit Notes, Series 1, (the "Notes") issued by The Bank of Nova Scotia (the "Bank") will mature on or about February 13, 2015 (the "Maturity Date"). The Notes have been developed to provide holders of Notes ("Investors") who hold the Notes to the Maturity Date with principal protected notes that provide 200% exposure to the Distributions (as defined herein) and capital appreciation of the Class A Units (the "Units") of the Signature Income & Growth Fund (the "Fund"), a mutual fund managed by Signature Global Advisors of CI Investments Inc.

The Notes provide Investors with 200% exposure to the Units in the notional portfolio (the "Portfolio") throughout the term of the Notes, regardless of the performance of the Fund, while providing principal protection if held to maturity. The Notes use an Option-Based strategy which replicates an investment of \$100 per Note plus \$100 of Loan drawdown through a notional Loan facility (the "Loan") on the Issue Date. The Loan amount is then rebalanced daily to maintain 200% exposure to the Units at all times.

At the Maturity Date, each Investor will receive an amount per Note equal to: (i) the amount deposited of \$100 (the "Principal Amount"); and (ii) the variable return, if any (the "Variable Return"), calculated as set forth herein. The Variable Return, if any, per Note will be determined by reference to the Final Portfolio Value (as defined). The Variable Return, if any, per Note will equal the amount, if any, by which the Final Portfolio Value per Note determined on the third Business Day prior to the Maturity Date (the "Final Calculation Date") exceeds the Principal Amount. The Final Portfolio Value will be calculated after payment of certain fees and expenses. See "Fees and Expenses Associated with the Notes". **It is possible that the Final Portfolio Value could be less than \$100 per Note, in which case no Variable Return will be paid and Investors will receive only the Principal Amount of their Notes on the Maturity Date.**

For the avoidance of doubt, the Notes use an Option-Based strategy and therefore the Portfolio is notional only. All purchases, holdings and redemptions of Units and receipts and reinvestments of Distributions and drawdowns and repayments of any Loans are notional actions only. All references contained in this Information Statement to any such actions or events are to be construed as notional actions and events only. Since the Portfolio is strictly notional, at no time will the Portfolio actually hold or own Units. Investors will not have any rights to acquire, or any direct or indirect ownership of or entitlement to, Units reflected in the Portfolio. Investors will not, by virtue of holding Notes, be entitled to the rights or benefits of a unitholder of the Fund. See "Description of the Notes" and "Risk Factors".

All Distributions, if any, made by the Fund on Units notionally held in the Portfolio as of the record date for any such Distribution will be notionally reinvested in Units for the Portfolio on the payment date for such Distribution, based on then current net asset value per Unit and will not be distributed to Investors during the term of the Notes. There is no guarantee that the Fund will make any Distributions, in which case the reinvestment could be zero. See "Description of the Notes — Variable Return — Reinvestment" and "Risk Factors."

PRICE: \$100 PER NOTE
Minimum Subscription: \$5,000 (50 Notes)
FundSERV Code: SSP 204

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisor whether the Notes are a suitable investment in light of the particular circumstances of the prospective investor and the information set out in this Information Statement. Neither the Bank, Scotia Capital Inc., the Fund Manager nor any of their respective affiliates makes any recommendation as to whether the Notes are a suitable investment for any person.

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The Bank has taken reasonable care to ensure that the facts stated in this Information Statement with respect to the Notes are true and accurate in all material respects. However, the Bank and the Selling Agent make no assurances, representations or warranties with respect to the accuracy, reliability or completeness of any information obtained from third parties reproduced herein.

Neither the Bank, the Selling Agent, the Fund Manager nor their respective affiliates makes any representation as to the future performance of the Units or the Notes. Investors should make any decision to invest in the Notes based only on their own views on the likely future performance of the Notes without reliance on the Bank, the Selling Agent, the Fund Manager or any of their respective affiliates and with the knowledge that the views of the Bank, the Selling Agent, the Fund Manager and their respective affiliates and the views of other market professionals may be different than theirs.

In this Information Statement, "\$" refers to Canadian dollars, unless otherwise expressly specified.

SUITABILITY FOR INVESTMENT

An investment in Notes is suitable only for investors prepared to assume risks with respect to a return tied to the performance of the Units. The return on the Notes, if any, is uncertain in that an investor may not receive anything more at the Maturity Date than the Principal Amount. **The Principal Amount is guaranteed to be repaid only if the Notes are held to the Maturity Date.** A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of this investment in light of his or her investment objectives and the information set out in this Information Statement. The Notes are not conventional indebtedness in that they have no fixed or floating yield. In addition, it is possible that the Final Portfolio Value per Note will not exceed the Principal Amount and therefore the Notes could produce no return at the Maturity Date. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield. See “Risk Factors”.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, the Notes offered hereby would, if issued on the date of this Information Statement, be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm’s length within the meaning of the Act).

AMENDMENT AND RESTATEMENT

THIS AMENDED AND RESTATED INFORMATION STATEMENT AMENDS AND RESTATES AND REPLACES THE INFORMATION STATEMENT DATED MAY 21, 2008, AS AMENDED JUNE 16, 2008 AND JUNE 24, 2008, (THE “ORIGINAL INFORMATION STATEMENT”) IN RESPECT OF THE NOTES IN ITS ENTIRETY. PROSPECTIVE INVESTORS SHOULD REVIEW THIS INFORMATION STATEMENT CAREFULLY PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE NOTES. PROSPECTIVE INVESTORS SHOULD NOT RELY ON THE ORIGINAL INFORMATION STATEMENT.

SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in this Information Statement. See the Glossary for defined terms.

Issue: The Bank of Nova Scotia — CI 2X™ Deposit Notes, Series 1.
Issuer: The Bank of Nova Scotia.
Selling Agent: Scotia Capital Inc.
Principal Amount: The Notes will be sold in denominations of \$100 per Note (the “Principal Amount”).

Subscription Price:	<u>Price to an Investor⁽¹⁾</u>	<u>Selling Agent Fees</u>	<u>Proceeds to the Bank⁽²⁾</u>
	\$100 per Note	\$4.00	\$96.00

(1) The price to be paid by each Investor upon issuance has been determined by negotiation between the Bank and the Selling Agent.

(2) The net proceeds (“Net Proceeds”) are before deduction of expenses of issue, which will be paid by the Bank out of its general funds.

Minimum Subscription: Minimum subscription of \$5,000 (50 Notes).

Issue Size: A maximum of \$50,000,000 Principal Amount of Notes will be issued by the Bank. This maximum size may be changed at any time, without notice, in the sole discretion of the Bank.

Interest on Subscription Proceeds: Subscription proceeds submitted by Investors in advance of the Issue Date will be held in an account by the Selling Agent and will bear interest at an annual rate equal to 2.00%. To the extent that the interest accrued on any Investor’s subscription proceeds from the date of deposit to the Issue Date equals or exceeds \$100 or integral multiples thereof, such Investor will receive Notes in an equivalent Principal Amount rounded down to the nearest integral multiple of \$100. Investors have no entitlement to, and will not receive, any cash payment of interest under any circumstances, except where an Investor rescinds or has its purchase order rejected, in entirety, in which case the Investor will receive cash equal to the interest earned rounded down to the nearest integral multiple of \$100. No fractional Notes will be issued. The Bank will file an information return with the CRA in respect of any amount required to be included in an Investor’s income in respect of such interest and will provide the Investor with a copy of such return.

Issue Date: The Notes will be issued on or about August 29, 2008 (the actual date of issuance being the “Issue Date”).

Maturity Date/Term: The Notes will mature on February 13, 2015 resulting in a term to maturity of approximately 6.5 years. The Notes are not redeemable or retractable prior to maturity, but they may be resold in any available secondary market. See “Description of the Notes — Secondary Trading.”

Offering: This Offering has been developed to provide investors with the opportunity to purchase principal protected notes that provide 200% of exposure to the Fund using an Option-Based strategy. The Notes provide Investors with 200% exposure to the Units in the notional Portfolio throughout the term of the Notes, regardless of the performance of the Fund, while providing principal protection if held to maturity. The Notes use an Option-Based strategy which replicates an investment of \$100 per Note plus \$100 of Loan

drawdown through a notional Loan facility on the Issue Date. The Loan amount is then rebalanced daily to maintain 200% exposure to the Units at all times.

The Fund:

The Fund is managed by CI Investments Inc., a leading Canadian-owned investment management company. CI Investments Inc. is wholly owned by Canadian International LP, the general partner of which is wholly owned by CI Financial Income Fund, an independent, Canadian-owned wealth management firm with approximately \$99.6 billion in fee-earning assets as of March 31, 2008. CI Financial Income Fund is a publicly traded income trust listed on the Toronto Stock Exchange under the ticker symbol CIX.UN.

The Fund seeks to provide a steady flow of current income while preserving capital by investing in a diversified portfolio of securities composed mainly of equity, equity-related and fixed income securities of Canadian issuers. The Fund may also invest in foreign securities. The fundamental investment objective of the Fund cannot be changed without obtaining shareholder approval.

The portfolio advisor, Signature Global Advisors, a division of CI Investments Inc., seeks to achieve the Fund's investment objective by investing in a combination of equity, fixed income and derivatives. To the extent the Fund invests in equity securities, these will include preferred and common shares broadly diversified by sector and style. Fixed income may consist of high-yielding government and corporate bonds, debentures and notes. This may include securities that are unrated or have credit ratings below investment grade. The term to maturity of these securities will vary depending on the portfolio advisor's outlook for interest rates. The Fund may also generate income by investing in real estate investment trusts (REITs), royalty trusts, income trusts and other similar high yielding instruments. The portfolio advisor will seek to produce additional income through covered call writing and other derivative strategies.

The Fund expects to pay ordinary taxable dividends and capital gain dividends, if any, each December. **There can be no assurance that any such dividends will be paid by the Fund. See "Risk Factors".**

As at April 30, 2008, the indicative distribution yield of the Fund was 6.74%. The indicated rates of return of the Fund are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The historical performance of the Fund is summarized in the tables below. **Past performance of the Fund is not indicative of future performance of the Fund or the Notes.**

Performance as of April 30, 2008⁽¹⁾

<u>YTD</u>	<u>1 mth</u>	<u>3 mth</u>	<u>1 yr</u>	<u>3 yr</u>	<u>5 yr</u>	<u>Life</u>
1.37%	3.46%	4.86%	-0.29%	9.87%	12.05%	8.71%

(1) Source: CI Investments Inc.

Calendar Year Performance⁽¹⁾

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
9.00%	-2.4%	15.6%	13.3%	14.7%	12.7%	1.8%

(1) Source: CI Investments Inc.

A brief description of the Fund and information concerning historical performance of the Units are set out under “The Fund” in this Information Statement. You may obtain more detailed information about the Fund at www.ci.com or through your advisor.

Amounts Payable at the Maturity Date:

The amount payable to an Investor in respect of a Note on the Maturity Date will be equal to the sum of: (i) the Principal Amount; plus (ii) the Variable Return, if any. See “Description of the Notes — Maturity and Principal Repayment”.

Variable Return:

The Variable Return, if any, payable on a Note is linked to the performance of the Portfolio. The Variable Return, if any, per Note will generally be payable only on the Maturity Date, subject to acceleration or deferral in the circumstances described herein. The Variable Return will be the amount, if any, by which the Final Portfolio Value per Note exceeds the Principal Amount.

Final Portfolio Value:

The Final Portfolio Value means the Portfolio Value determined on the Final Calculation Date. The Portfolio Value on the Issue Date will be \$100. On any Calculation Date between the Issue Date and the Final Calculation Date, the Portfolio Value will be an amount calculated as follows:

$$\text{Portfolio Value} = \text{Previous Portfolio Value} \times (200\% \times \text{Daily Fund Return} - 100\% \times \text{Loan Charge})$$

Where:

Previous Portfolio Value = The Portfolio Value determined by the Calculation Agent on the immediately preceding Calculation Date.

Daily Fund Return = The number (which may be positive or negative) equal to: (i) 1; plus (ii) the percentage change in the value of a notional \$100 investment in Units from the immediately preceding Calculation Date determined by the Calculation Agent, acting reasonably. For this purpose, the percentage change in the value of the Units will be reduced by the Portfolio Fee, calculated and deducted daily.

Loan Charge = An amount equal to: (i) 1; plus (ii) the Loan Rate multiplied by the actual number of days elapsed since the immediately preceding Calculation Date divided by 365.

Loan Rate = On any Calculation Date, means the Bankers' Acceptance Rate for such Calculation Date plus 0.25% per annum.

The Portfolio:

The amount of the Variable Return, if any, payable in respect of the Notes will depend on the performance of the Portfolio. Specifically, the Variable

Return will be based on the increase, if any, in the Portfolio Value from the Issue Date to the Final Calculation Date.

The Portfolio is a notional account that will hold Units of the Fund. The Option-Based strategy will replicate an investment of \$100 per Note plus \$100 of Loan drawdown per Note on the Issue Date. Holdings in the Portfolio will be leveraged through the Loan that will provide 200% exposure to the Fund at all times during the term of the Notes. The Loan will be reset daily to ensure that 200% exposure to the Fund is maintained throughout the term of the Notes. Accordingly, the amount of the Loan that will be outstanding during the term of the Notes will increase or decrease, on a daily basis, depending on the performance of the Portfolio.

All references to “Units” are Class A units of the Fund that are generally available for purchase to all prospective investors. The value of a Unit at any time will be equal to the net asset value of a Class A unit of the Fund grossed-up by an amount which reflects the management expense ratio (“MER”) otherwise applicable to Class A units of the Fund that are notionally held in the Portfolio. Accordingly, the value of the Units at any time will be higher than the value of the Class A units of the Fund by an amount that reflects the MER applicable to Class A units of the Fund. However, the Calculation Agent will be paid the Portfolio Fee referred to below from the assets of the Portfolio. The Portfolio Fee is 0.65% greater than the Fund’s MER for the 2007 fiscal year. All Distributions payable by the Fund on Units notionally held in the Portfolio will be re-invested in additional Units for the Portfolio on the payment date for such Distribution based on the then prevailing net asset value per Unit.

For the avoidance of doubt, the Notes use an Option-Based strategy and therefore the Portfolio is notional only and all actions taken with respect thereto including, without limitation, all holdings, purchases and redemptions of Units, receipts and reinvestments of Distributions and drawdowns and repayments of any Loans are notional actions only. All references contained in this Information Statement to any such actions or events are to be construed as notional actions and events only. Since the Portfolio is strictly notional, at no time will the Portfolio actually hold or own Units and Investors will not have any rights to acquire, or any direct or indirect ownership of or entitlement to, Units or assets reflected in the Portfolio. Investors will not, by virtue of holding Notes, be entitled to the rights or benefits of a unitholder of the Fund. See “Description of the Notes” and “Risk Factors”.

The Loan:

The Loan will provide 200% exposure to the Units. The amount of the Loan that may be outstanding from time to time will depend on the value of the Portfolio.

The Loan will be reset on each Calculation Date between the Issue Date and the Final Calculation Date to an amount equal to 100% of the Portfolio Value on such Calculation Date. As a result, the amount of the Loan that will be outstanding during the term of the Notes will increase or decrease on a daily basis depending on the performance of the Portfolio. If the Portfolio Value increases, the amount of the Loan will increase. If the Portfolio Value decreases, the amount of the Loan will decrease.

Notional interest on the Loan will accrue at a rate equal to the one-month Bankers' Acceptance Rate plus 0.25% (3.39% as of May 21, 2008) per annum accrued daily and paid daily at the then prevailing rate.

Market Disruption Event:

If a Market Disruption Event occurs on a Calculation Date, determination of the Portfolio Value for such Calculation Date will be postponed to the next following Business Day, not to exceed the eighth Business Day following the originally postponed Calculation Date. If, following that eighth Business Day, the Calculation Date has not occurred, the Calculation Agent may, in its discretion, estimate the Portfolio Value, taking into consideration the last available net asset value of the Units, expenses accrued, the relevant market circumstances on the Calculation Date, and any other information that in good faith it deems relevant or designate such event as an Extraordinary Event. See "Description of the Notes — Special Circumstances — Extraordinary Event".

A Market Disruption Event may delay the determination and payment of Variable Return, if any. See "Description of the Notes — Special Circumstances — Market Disruption Event".

Extraordinary Event:

If an Extraordinary Event (as defined herein) occurs, the Calculation Agent may, following consultation with the Fund Manager, replace the Fund with another mutual fund managed or sponsored by the Fund Manager that has investment objectives and strategies similar to those of the Fund in effect immediately prior to the occurrence of the Extraordinary Event. If the Calculation Agent, following consultation with the Fund Manager, is unable to identify another such mutual fund managed or sponsored by the Fund Manager, then the Calculation Agent may elect to accelerate the occurrence of any remaining Calculation Dates and thereupon determine the Variable Return, if any, as of the Extraordinary Event Notification Date. In no event will payment of the Principal Amount per Note be accelerated. If an Extraordinary Event occurs, the possibility of receiving more than the Principal Amount of \$100 per Note at the Maturity Date is significantly reduced. In this case, Investors may only have the Principal Amount of their Notes returned to them on the Maturity Date. See "Description of the Notes — Special Circumstances — Extraordinary Event".

Secondary Market:

There is currently no market through which the Notes may be sold. There can be no assurance that a secondary market for the Notes will develop or, if such market does develop, that it will be sustained or liquid. The Notes will not be listed on any stock exchange. The Selling Agent intends to use reasonable efforts to initiate and maintain a secondary market for the Notes, but reserves the right not to do so at any time in the future, in its sole discretion, without providing prior notice to Investors. These efforts will consist of posting a daily bid price through the FundSERV network for the Notes (the "Bid Price"). The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor. **If an Investor sells a Note to the Selling Agent within the first two years from the Issue Date, the Investor will receive sale proceeds equal to the Bid Price for the Note as determined by the Selling Agent minus any applicable Early Trading Charge. A sale of Notes originally purchased through a distributor on the FundSERV network will be subject to certain additional procedures and limitations established by the FundSERV network.** See "Description of the Notes — Secondary Trading of Notes", "FundSERV" and "Risk Factors".

While the Selling Agent will use reasonable efforts, the Selling Agent is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of the Selling Agent, without notice. If there is no secondary market, an Investor will not be able to sell its Notes. The Notes are intended to be instruments held to the Maturity Date. **If an Investor sells Notes prior to the Maturity Date, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Portfolio has been positive and, as a result, the Investor may suffer losses.** See “Description of the Notes — Secondary Trading” and “Certain Canadian Federal Income Tax Considerations”.

Early Trading Charge:

If an Investor sells a Note within the first 720 days from the Issue Date, the proceeds from the sale of the Note will be reduced by the Early Trading Charge. The Early Trading Charge is as follows:

<u>If Sold Within</u>	<u>Early Trading Charge</u>
0-90 days	6.00%
91-180 days	5.50%
181-270 days	5.00%
271-360 days	4.50%
361-450 days	4.00%
451-540 days	3.50%
541-630 days	3.00%
631-720 days	2.50%
Thereafter	Nil

Rank; No Deposit Insurance:

The Notes will rank equally with all other deposit liabilities of the Bank. **The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.**

Credit Rating:

The Notes have not been rated. As of the date of this Information Statement, the Bank’s deposit liabilities with a term of more than one year were rated AA by Dominion Bond Rating Service Limited, AA – by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., Aa1 by Moody’s Investors Service, Inc. and AA – by Fitch Limited. There can be no assurance that if the Notes were specifically rated by these rating agencies that they would have the same rating as the Bank’s other deposit liabilities. **A rating is not a recommendation to buy, sell or hold investments and may be subject to revision or withdrawal at any time by the relevant rating agency.**

Use of Proceeds:

The Net Proceeds will not be held by the Bank in trust for the Investors of the Notes in any segregated or other account. Rather, the Bank will use the Net Proceeds of the Offering for its general banking purposes.

Income Tax Considerations:

This income tax summary is subject to the limitations and qualifications set out under the heading “Certain Canadian Federal Income Tax Considerations”. Except in the case of an Extraordinary Event, there should be no deemed accrual of interest on the Notes under the “prescribed debt obligation” rules of the Act and the Regulations until the taxation year of an Initial Investor that includes the Maturity Date. Where the Variable Return is determined because of an Extraordinary Event, the Variable Return will generally be required to be accrued by an Initial Investor in accordance with

the “prescribed debt obligation” rules of the Act and Regulations. The full amount of the Variable Return will generally be included in an Initial Investor’s income in the taxation year of the Initial Investor that includes the Maturity Date. Although not free from doubt, an Initial Investor who disposes of, or is deemed to dispose of, a Note (other than by virtue of repayment of the Note on the Maturity Date) should realize a capital gain (or capital loss) to the extent that the proceeds of disposition of the Note, less any costs of disposition, exceed (or are exceeded by) the Initial Investor’s adjusted cost base of the Note. **Initial Investors who dispose of Notes prior to the Maturity Date should consult their tax advisors with respect to their particular circumstances.**

See “Certain Canadian Federal Income Tax Considerations”.

Fees and Expenses:

The following fees and expenses will be paid prior to Variable Return, if any, at the Maturity Date of the Notes:

Portfolio Fee

The Notes will be subject to a portfolio fee (the “Portfolio Fee”) equal to 2.95% per annum of the value of the Units held in the Portfolio calculated and deducted daily through an adjustment to the Daily Fund Return, which will be charged daily against the Portfolio. The Portfolio Fee will be accrued daily and paid daily to Scotia Capital, as Calculation Agent of the Notes. A portion of the Portfolio Fee will be paid to the Fund Manager in respect of management expenses payable on the Fund.

The Bank will also pay a selling fee to qualified selling group members of \$4.00 per Note sold.

Loan Cost

Scotia Capital will receive the interest payable on funds notionally borrowed under the Loan, calculated at an annual interest rate equal to the one-month Bankers’ Acceptance Rate plus 0.25% (3.39% as of May 21, 2008), accrued daily and paid daily. This interest will be paid out of the Portfolio daily during the term of the Notes and prior to determining the amount of Variable Return, if any, payable at maturity.

For the portfolio value to increase in value on any given calculation date, the return on the units of the fund must exceed the sum of the (i) difference between the portfolio fee and the MER of the fund and (ii) 50% of the loan rate. As of May 21, 2008, this is equivalent to approximately 2.35% per annum.

Calculation Agent:

Scotia Capital will act as the Calculation Agent, provided that Scotia Capital may appoint a successor calculation agent and may delegate its functions to a third party. The Calculation Agent will make all necessary calculations and determinations required in respect of the Notes. In certain circumstances involving a Market Disruption Event, exact and precise calculations may not be possible. The Calculation Agent’s calculations and determinations will be made in good faith and will, absent manifest error, be final and binding on Investors.

**Book-Entry Only
Registration:**

All of the Notes will be evidenced by a single global Note held by CDS, or its nominee on its behalf, as registered Investor of the Notes. Registration of interests in and transfers of the Notes will be made only through participants in its book-entry system (“Participants”). Subject to certain limited

exceptions, no Investor will be entitled to any certificate or other instrument from the Bank or CDS evidencing the ownership thereof and no Investor will be shown on the records maintained by the depository except through an agent who is a Participant of the depository. See “Description of the Notes — Form of the Notes”.

Risk Factors:

Before reaching a decision to purchase any Notes, prospective investors should carefully consider a variety of risk factors associated with the ownership of the Notes. **An Investor will not be able to redeem Notes prior to the Maturity Date.** The Notes have certain characteristics that differ from conventional fixed income investments in that they do not provide any return or income stream prior to the Maturity Date, or a return at the Maturity Date that is calculated by reference to a fixed or floating rate of interest that can be determined prior to the Maturity Date. The return on the Notes (if any), unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain. Therefore, the Notes are not suitable investments for Investors that need or expect certainty of yield. The Notes are designed for Investors with a long-term investment horizon who are prepared to hold the Notes to the Maturity Date and are prepared to assume risks with respect to a return tied to the performance of the Fund.

There is no assurance that the Units will appreciate in value over the term of the Notes. Therefore, there is no assurance that Investors will receive any amount at the Maturity Date other than the repayment of the Principal Amount. The Notes do not represent a direct or indirect ownership interest in any notional Units. All fees and expenses in respect of the Notes will be deducted from the value of the Portfolio and will reduce the Variable Return, if any. The Distributions, if any, on and the capital appreciation, if any, of the notional Units may not be sufficient to generate any Variable Return on the Notes.

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisor whether the Notes are a suitable investment in light of his or her own circumstances and the information set out in this Information Statement. None of the Bank, Scotia Capital Inc., the Fund Manager or their respective affiliates makes any recommendation as to whether the Notes are a suitable investment for any person. See “**Risk Factors**”.

Further Information:

Prospective investors may enquire about the terms and conditions of the Notes by contacting Scotia Capital Inc. at 1 (866) 416-7891.

DESCRIPTION OF THE NOTES

Issue Size

The Bank of Nova Scotia — CI 2X™ Deposit Notes, Series 1 will be issued by the Bank on the Issue Date. A maximum of \$50,000,000 Principal Amount of Notes will be issued by the Bank. This maximum size may be changed at any time without notice in the sole discretion of the Bank.

Principal Amount and Minimum Subscription

Each Note will be issued in a Principal Amount of \$100. The price to be paid by each Investor upon issuance has been determined by agreement between the Bank and the Selling Agent. The minimum subscription per Investor will be fifty (50) Notes (i.e. \$5,000).

Maturity and Principal Repayment

Each Note matures on the Maturity Date, on which date the Investor will receive a minimum of the Principal Amount of \$100 per Note. If the Maturity Date is not a Business Day for any reason, then the Maturity Date will be deemed to occur on the next following Business Day and no interest or other compensation will be paid to an Investor in respect of such postponement.

The Portfolio

The amount of the Variable Return, if any, will depend on the amount, if any, by which the Final Portfolio Value exceeds the Principal Amount. The Portfolio is a notional account that will hold Units of the Fund. The Notes provide Investors with 200% exposure to the Units in the notional Portfolio throughout the term of the Notes, regardless of the performance of the Fund, while providing principal protection if held to maturity. The Notes use an Option-Based strategy which replicates an investment of \$100 per Note plus \$100 of Loan drawdown through a notional Loan facility on the Issue Date. The Loan amount is then rebalanced daily to maintain 200% exposure to the Units at all times.

For the avoidance of doubt, the Notes use an Option-Based strategy and therefore the Portfolio is notional only and all actions taken with respect thereto including, without limitation, all holdings, purchases and redemptions of Units, receipts and reinvestments of Distributions and drawdowns and repayments of any Loans are notional actions only. All references contained in this Information Statement to any such actions or events are to be construed as notional actions and events only. Since the Portfolio is strictly notional, at no time will the Portfolio actually hold or own Units and Investors will not have any rights to acquire, or any direct or indirect ownership of or entitlement to, Units or assets reflected in the Portfolio. Investors will not, by virtue of holding Notes, be entitled to the rights or benefits of a unitholder of the Fund. See “Description of the Notes” and “Risk Factors”.

All references to “Units” are Class A units of the Fund that are generally available for purchase to all prospective investors. The value of a Unit at any time will be equal to the net asset value of a Class A unit of the Fund grossed-up by an amount which reflects the MER otherwise applicable to Class A units of the Fund that are notionally held in the Portfolio. Accordingly, the value of the Units at any time will be higher than the value of the Class A units of the Fund by an amount that reflects the MER applicable to Class A units of the Fund. However, the Calculation Agent will be paid the Portfolio Fee referred to below from the assets of the Portfolio. The Portfolio Fee is 0.65% greater than the Fund’s MER for the 2007 fiscal year. All Distributions payable by the Fund on Units notionally held in the Portfolio will be re-invested in additional Units for the Portfolio on the payment date for such Distribution based on the then prevailing net asset value per Unit.

The Loan

The Loan will provide 200% exposure to the Units. The amount of the Loan that may be outstanding from time to time will depend on the value of the Portfolio. The Loan will be reset on each Calculation Date between the Issue Date and the Final Calculation Date to an amount equal to 100% of the Portfolio Value on such Calculation Date. As a result, the amount of the Loan that will be outstanding during the term of the Notes will increase or decrease on a daily basis depending on the performance of the Portfolio. If the Portfolio Value

increases, the amount of the Loan will increase. If the Portfolio Value decreases, the amount of the Loan will decrease.

Notional interest on the Loan will accrue at a rate equal to the one-month Bankers' Acceptance Rate plus 0.25% (3.39% as of May 21, 2008) per annum accrued daily and paid daily at the then prevailing rate.

Variable Return

General

Subject to the occurrence of a Market Disruption Event or an Extraordinary Event, an Investor will be paid the Variable Return, if any, at the Maturity Date, subject to the provisions and conditions described or contemplated in this Information Statement. The Variable Return, if any, is linked to the amount, if any, by which the Final Portfolio Value per Note exceeds the Principal Amount.

The Variable Return calculation is the formula used to determine the Variable Return, if any, on the Notes at the Maturity Date. The Variable Return, if any, per Note is calculated as follows:

$$\text{Portfolio Value} = \text{Previous Portfolio Value} \times (200\% \times \text{Daily Fund Return} - 100\% \times \text{Loan Charge})$$

Where:

- Previous Portfolio Value** = The Portfolio Value determined by the Calculation Agent on the immediately preceding Calculation Date.
- Daily Fund Return** = The number (which may be positive or negative) equal to: (i) 1; plus (ii) the percentage change in the value of a notional \$100 investment in Units from the immediately preceding Calculation Date determined by the Calculation Agent, acting reasonably. For this purpose, the percentage change in the value of the Units will be reduced by the Portfolio Fee, calculated and deducted daily.
- Loan Charge** = An amount equal to: (i) 1; plus (ii) the Loan Rate multiplied by the actual number of days elapsed since the immediately preceding Calculation Date divided by 365.
- Loan Rate** = On any Calculation Date, means the Bankers' Acceptance Rate for such Calculation Date plus 0.25% per annum.

For the portfolio value to increase in value on any given calculation date, the return on the units of the fund must exceed the sum of the (i) difference between the portfolio fee and the MER of the fund and (ii) 50% of the loan rate. As of May 21, 2008, this is equivalent to approximately 2.35% per annum.

The Portfolio will be gradually notionally liquidated (at the discretion of the Calculation Agent to ensure orderly liquidation) during the ten Business Days immediately preceding the Maturity Date at then prevailing net asset values per Unit determined by the Calculation Agent. The Calculation Agent is expected to have fully liquidated the notional assets of the Portfolio by, and to calculate the Variable Return, if any, on, the third Business Day prior to the Maturity Date. The timing and manner of determining the Variable Return, if any, may be affected by the occurrence of Market Disruption Events or the inability notionally to fully liquidate the Portfolio by the third Business Day prior to the Maturity Date. See "Description of the Notes-Special Circumstances".

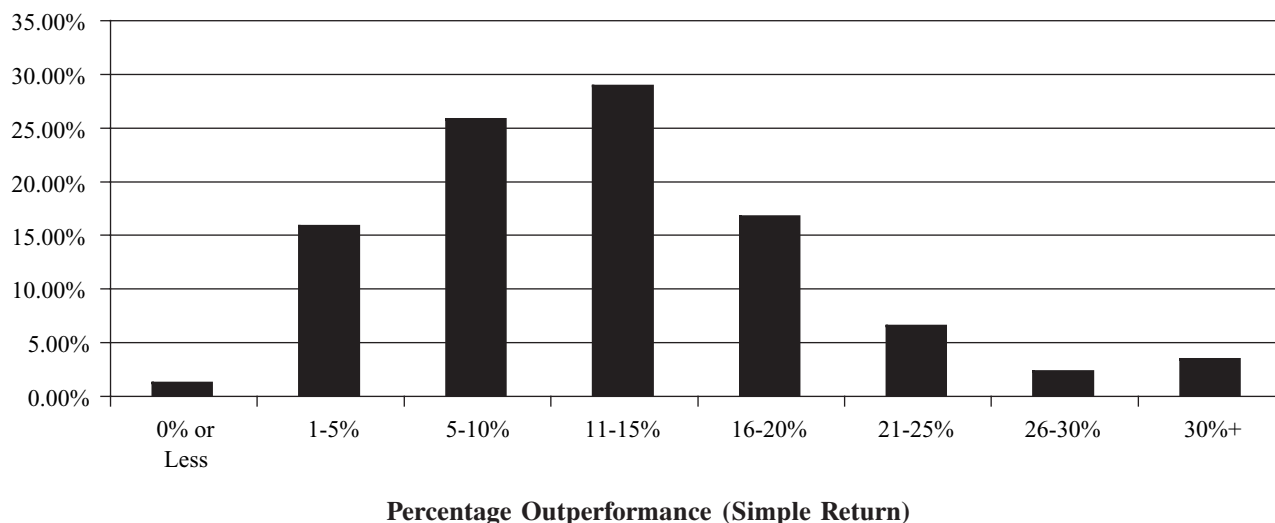
The following hypothetical examples are for illustrative purposes only. The values used in these hypothetical examples are not estimates or forecasts of actual values of the Units or the performance of the Notes.

Historical Performance

Over rolling 6.5 year periods ending June 30, 2006 to April 30, 2008, the Notes would have outperformed a direct investment in the fund 98.89% of the time. The average outperformance of the Notes would have been

11.92% over that time period. There can be no assurance, and none is intended to be given, that the Notes will outperform a direct investment in the Fund at any time in the future.

Note Outperformance vs Direct Fund Investment
Rolling 6.5 year periods ending 06/30/06 – 04/30/08⁽¹⁾



(1) Source: Scotia Capital Inc.

Positive Performance Example*

Calculation Date	Unit Value	Portfolio Fee	Daily Fund Return	Loan Charge (1M BA+25)*	Portfolio Value	Previous Portfolio Value	200% x Daily Fund Return	100% x Loan Charge
July 11, 2008	\$100.00	0	0	0	\$100.00	\$0.00		
July 14, 2008	\$100.35	\$0.02433	1.0033	1.0003	\$100.62	\$100.00	2.0065	1.0003
July 15, 2008	\$100.25	\$0.00810	0.9989	1.0001	\$100.39	\$100.62	1.9978	1.0001
July 16, 2008	\$100.40	\$0.00811	1.0014	1.0001	\$100.67	\$100.39	2.0028	1.0001
July 17, 2008	\$100.78	\$0.00815	1.0037	1.0001	\$101.40	\$100.67	2.0074	1.0001
July 18, 2008	\$100.60	\$0.00813	0.9981	1.0001	\$101.01	\$101.40	1.9963	1.0001
July 21, 2008	\$100.65	\$0.02440	1.0003	1.0003	\$101.03	\$101.01	2.0005	1.0003
July 22, 2008	\$100.65	\$0.00813	0.9999	1.0001	\$101.00	\$101.03	1.9998	1.0001
July 23, 2008	\$100.71	\$0.00814	1.0005	1.0001	\$101.10	\$101.00	2.0010	1.0001
July 24, 2008	\$100.82	\$0.00815	1.0010	1.0001	\$101.29	\$101.10	2.0020	1.0001

* Assumes constant Loan rate of 3.46%, Price Return of 0.82% over 10 Business Day period and Portfolio Fee of 2.95% p.a.

$$\text{Portfolio Value} = \text{Previous Portfolio Value} \times (200\% \times \text{Daily Fund Return} - 100\% \times \text{Loan Charge})$$

In the above example a \$100 investment in the Fund made on the Issue Date would be worth \$100.82 after ten Business Days. A \$100 investment in the Notes would have a Portfolio Value of \$101.29 after the same period, which is therefore higher than an investment in the Fund. It is important to note that the Bid Price of the Notes posted from time to time by Scotia Capital may be significantly different from the Portfolio Value during the term of the Notes.

Sample Variable Return Calculation — Positive Performance

If the Final Portfolio Value is \$192, Investors will receive at the Maturity Date an amount per Note equal to \$192, being the sum of: (i) Variable Return of \$92, being the excess of the Final Portfolio Value (\$192) over the Principal Amount (\$100); and (ii) the Principal Amount of \$100.

Maturity Payment Amount = Principal Amount + Variable Return

Variable Return = Final Portfolio Value – Principal Amount (cannot be less than 0)

Maturity Payment Amount (\$192) = Principal Amount (\$100) + Variable Return (\$192 – \$100 = \$92)

Equivalent to a Compound Annual Return of 10.56%

*Negative Performance Example**

Calculation Date	Unit Value	Portfolio Fee	Daily Fund Return	Loan Charge (1M BA+25)*	Portfolio Value	Previous Portfolio Value	200% x Daily Fund Return	100% x Loan Charge
July 11, 2008	\$100.00	0	0	0	\$100.00	\$0.00		
July 14, 2008	\$99.76	\$0.02419	0.9974	1.0003	\$99.44	\$100.00	1.9947	1.0003
July 15, 2008	\$99.87	\$0.00807	1.0010	1.0001	\$99.63	\$99.44	2.0020	1.0001
July 16, 2008	\$99.90	\$0.00807	1.0002	1.0001	\$99.67	\$99.63	2.0004	1.0001
July 17, 2008	\$100.23	\$0.00810	1.0032	1.0001	\$100.30	\$99.67	2.0064	1.0001
July 18, 2008	\$100.15	\$0.00809	0.9991	1.0001	\$100.11	\$100.30	1.9982	1.0001
July 21, 2008	\$99.87	\$0.02422	0.9970	1.0003	\$99.47	\$100.11	1.9939	1.0003
July 22, 2008	\$99.75	\$0.00806	0.9987	1.0001	\$99.21	\$99.47	1.9974	1.0001
July 23, 2008	\$99.67	\$0.00806	0.9991	1.0001	\$99.02	\$99.21	1.9982	1.0001
July 24, 2008	\$99.54	\$0.00805	0.9986	1.0001	\$98.74	\$99.02	1.9972	1.0001

* Assumes constant Loan rate of 3.46%, Price Return of –0.46% over 10 Business Day period and Portfolio Fee of 2.95% p.a.

Portfolio Value = Previous Portfolio Value × (200% × Daily Fund Return – 100% × Loan Charge)

In the above example a \$100 investment in the Fund made on the Issue Date would be worth \$99.54 after ten Business Days. A \$100 investment in the Notes would have a Portfolio Value of \$98.74 after the same period, which is therefore lower than an investment in the Fund. It is important to note that the Bid Price of the Notes posted from time to time by Scotia Capital may be significantly different from the Portfolio Value during the term of the Notes.

Sample Variable Return Calculation — Negative Performance

If the Final Portfolio Value is \$96, Investors will receive at the Maturity Date an amount per Note equal to \$100, being the sum of: (i) \$0 Variable Return (because the Final Portfolio Value does not exceed the Principal Amount); and (ii) the Principal Amount of \$100.

Maturity Payment Amount = Principal Amount + Variable Return

Variable Return = Final Portfolio Value – Principal Amount (cannot be less than 0)

Maturity Payment Amount (\$100) = Principal Amount (\$100) + Variable Return (\$96 – \$100 = \$0)

Reinvestment

All Distributions, if any, made by the Fund on Units in the Portfolio as of the record date for any such Distribution will be reinvested in the Portfolio on the payment date for such Distribution at the then prevailing net asset value per Unit and will not be distributed to Investors during the term of the Notes. There is no guarantee that the Fund will make any Distributions, in which case the reinvestment in the Portfolio could be zero. There is no guarantee that reinvested Distributions, if any, will not be offset by decreases in the value of the Units such that, notwithstanding that Distributions have been reinvested, no Variable Return will be paid. Investors will not be entitled to receive Variable Return, if any, prior to maturity absent special circumstances. See “Risk Factors.”

Special Circumstances

During the term of the Notes, certain events affecting the Notes and the Units may occur. Following the occurrence of any such event, the Calculation Agent may be required to make decisions with respect to the Notes relating to the payment and/or calculation of Variable Return, if any, and the valuation of the Units in the Portfolio. In connection with the foregoing, the Calculation Agent will make its calculations and determinations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result; provided, however, that absent manifest error, all of the Calculation Agent's calculations and determinations will be final and binding on Investors, without any liability on the part of the Bank, the Calculation Agent or the Selling Agent, and Investors will not be entitled to any compensation from the Bank, the Calculation Agent or the Selling Agent for any loss suffered as a result of any of the Calculation Agent's calculations or determinations. See "Risk Factors".

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event has occurred or is continuing on any Calculation Date, then such Calculation Date will be postponed to the next following Business Day on which there is no Market Disruption Event in effect.

If, on the eighth Business Day following the date on which a Market Disruption Event first occurred, such Market Disruption Event continues in effect then, notwithstanding the occurrence of any Market Disruption Event on or after such eighth Business Day, the Calculation Agent may, in its sole discretion, determine the net asset value of the Units as of such eighth Business Day using the Calculation Agent's good faith estimate, without any liability on the part of the Calculation Agent, of such net asset value on such eighth Business Day and taking into account all market circumstances considered by the Calculation Agent to be relevant, acting reasonably. Alternatively, if a Market Disruption Event continues in effect for a period of 8 consecutive Business Days, the Calculation Agent may designate that event as an Extraordinary Event, with the consequences described under "Description of the Notes — Special Circumstances — Extraordinary Event".

Subject to the occurrence of a Market Disruption Event, payment of the Principal Amount and the Variable Return, if any, is expected to occur on the Maturity Date. If a Market Disruption Event occurs and is resolved by the Final Calculation Date, payment of the Principal Amount and the Variable Return, if any, will occur on the Maturity Date. If a Market Disruption Event occurs and is not resolved by the Final Calculation Date, payment of the Principal Amount will occur on the Maturity Date, and payment of the Variable Return, if any, will occur as soon as practicable following resolution of the Market Disruption Event and, in any event, no later than 180 days after the Maturity Date. If the Market Disruption Event is not resolved by the 175th day after the Maturity Date, the Calculation Agent shall, in its sole discretion, determine the net asset value per Unit of the Units as of the Business Day immediately preceding such date using the Calculation Agent's good faith estimate, without any liability on the part of the Calculation Agent, of the net asset value per Unit on such Business Day and taking into account all market circumstances considered by the Calculation Agent to be relevant, acting reasonably, and calculate and pay the Variable Return, if any, utilizing such net asset value.

Extraordinary Event

If an Extraordinary Event occurs, the Calculation Agent may, following consultation with the Fund Manager, upon notice to the Investors providing brief details to Investors of the Extraordinary Event to be given effect on a Business Day (the effective date of such notification being the "Substitution Date"), replace the Fund (the "Deleted Fund") with another mutual fund managed or sponsored by the Fund Manager (or its successor) that has investment objectives and strategies similar to those of the Deleted Fund that were in effect immediately prior to the occurrence of the Extraordinary Event (the "Replacement Fund"), provided that such replacement will, in the determination of the Calculation Agent, have the effect of eliminating the Extraordinary Event. The Replacement Fund will be substituted for the Deleted Fund on the Substitution Date by notionally redeeming all of the Units of the Deleted Fund in the Portfolio on the Substitution Date and, on the following Exchange Business Day, with the redemption proceeds from the Units of the Deleted Fund, purchasing units of the Replacement Fund. Upon any such replacement (a "Substitution Event"), the Replacement Fund shall be deemed to be the Deleted Fund for purposes of calculating the Maturity Payment Amount.

If the Calculation Agent, after consultation with the Fund Manager (or its successor), is unable to identify another mutual fund managed or sponsored by the Fund Manager (or its successor) that has investment objectives and strategies similar to those of the Deleted Fund that were in effect immediately prior to the occurrence of the Extraordinary Event, then the Calculation Agent may, in its sole discretion upon notice to the Investors to be given effect on a Business Day (the date of such notification being the “Extraordinary Event Notification Date”), elect to accelerate the occurrence of any remaining Calculation Dates (whether or not affected by such Extraordinary Event) scheduled to occur after the Extraordinary Event Notification Date (collectively, the “Remaining Final Calculation Dates”) and thereupon the Variable Return, if any, per Note will be determined and calculated effective as of the Extraordinary Event Notification Date. Payment of the Variable Return per Note will be made on the tenth Business Day after the Extraordinary Event Notification Date. In these circumstances, payment of the Principal Amount per Note will not be accelerated and will remain due and payable only on the Maturity Date.

Secondary Trading

There is currently no market through which the Notes may be sold. There can be no assurance that a secondary market for the Notes will develop or, if such market does develop, that it will be sustained or liquid. The Notes will not be listed on any stock exchange. The Selling Agent intends to use reasonable efforts to initiate and maintain a secondary market for the Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Investors. These efforts will consist of posting a daily Bid Price determined by the Selling Agent through the FundSERV network for the Notes. The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor. Each sale of a Note to the Selling Agent will be effected at a price equal to: (i) the Bid Price for the Note; minus (ii) any applicable Early Trading Charge. See “Description of the Notes — Early Trading Charge”. This will be the secondary market price. See “FundSERV” for details regarding secondary trading where the Notes are held through participants in the FundSERV network.

The Principal Amount of a Note is repaid by the Bank only at the Maturity Date. There is no assurance that any premium that may have been paid by an Investor having purchased Notes in the secondary market will be recouped. The price that the Selling Agent will pay to an Investor for a Note prior to the Maturity Date will be determined by the Selling Agent, acting in its sole discretion, and will be based on, among other things: (i) how much the value of the assets in the Portfolio have risen or fallen since the Issue Date; and (ii) a number of other interrelated factors including, without limitation, volatility of the value of the notional assets in the Portfolio, prevailing interest rates and the time remaining to the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. In particular, Investors should realize that the secondary market price for the Notes: (i) may not rise and fall with changes in the net asset value per Unit; and (ii) may be substantially affected by changes in current interest rates independent of performance of the Portfolio. Investors may wish to consult their investment advisors concerning whether it would be more appropriate in the circumstances at any time to sell or to hold their Notes until the Maturity Date. An Investor will not be able to redeem Notes prior to the Maturity Date.

While the Selling Agent will use reasonable efforts, the Selling Agent is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of the Selling Agent, without notice. If there is no secondary market, an Investor will not be able to sell its Notes. The Notes are intended to be instruments held to the Maturity Date. The Principal Amount of a Note is guaranteed to be repaid only if the Note is held to the Maturity Date.

If an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Fund has been positive and, as a result, the Investor may suffer losses. See “Risk Factors — Liquidity Risk and Secondary Market”.

An Investor will not be able to redeem Notes prior to the Maturity Date.

Early Trading Charge

A sale of the Notes prior to the Maturity Date may be subject to the Early Trading Charge. If a Note is sold to the Selling Agent within the first 720 days following the Issue Date, the proceeds from the sale of the Note will be reduced by an Early Trading Charge expressed as a percentage of the Principal Amount of the Note as follows:

<u>If Sold Within</u>	<u>Early Trading Charge</u>
0-90 days	6.00%
91-180 days	5.50%
181-270 days	5.00%
271-360 days	4.50%
361-450 days	4.00%
451-540 days	3.50%
541-630 days	3.00%
631-720 days	2.50%
Thereafter	Nil

An Investor should understand that any valuation price for the Notes appearing on its investment account statement, as well as any Bid Price quoted to the Investor to sell Notes prior to the Maturity Date, will be before the application of any applicable Early Trading Charge. An Investor wishing to sell Notes prior to the Maturity Date should consult its investment advisor about whether the Investor will bear the Early Trading Charge and, if so, how much it will be.

The Notes are generally not suitable for an investor who requires liquidity prior to the Maturity Date. An Investor should consult his or her investment advisor as to whether it would be more favourable in the circumstances at any time, to sell Notes (assuming the availability of a secondary market) or to hold the Notes until the Maturity Date. An Investor should also consult his or her tax advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date. See “Certain Canadian Federal Income Tax Considerations”.

The Selling Agent and/or any of its affiliates may, at any time, subject to the applicable laws, purchase Notes at any price in the open market or by private agreement.

Rank; No Deposit Insurance

The Notes will constitute direct unconditional obligations of the Bank. The Notes will be issued on an unsubordinated basis and will rank *pari passu*, as among themselves and with all other outstanding, direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of the Bank, and will be payable rateably without any preference or priority. **The Notes will not be insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime.**

Credit Rating

The Notes have not been rated. As of the date of this Information Statement, the deposit liabilities of the Bank with a term to maturity of more than one year are rated AA by DBRS, AA – by S&P, Aa1 by Moody’s and AA – by Fitch Limited. There can be no assurance that, if the Notes were specifically rated by these rating agencies, they would have the same rating as the other deposit liabilities of the Bank. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.**

Settlement of Payments

The Bank will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on the Maturity Date, funds in an amount sufficient to pay the amounts due under the Notes. Payment of the Variable

Return, if any, may be delayed in certain circumstances. See “Description of the Notes — Market Disruption Event”.

All amounts payable in respect of the Notes will be made available by the Bank through CDS or its nominee. CDS or its nominee will, upon receipt of any such amount, facilitate payment to the applicable CDS Participants or credit the account of such CDS Participants, in amounts proportionate to their respective interests as shown on the records of CDS.

The Bank expects that payments by CDS Participants to Investors will be governed by standing instructions and customary practices, as is the case with securities or instruments held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such CDS Participants. The responsibility and liability of the Bank in respect of Notes represented by a Global Note is limited to making payment of the amounts due in respect of the Global Note to CDS or its nominee. Neither the Bank nor any of its affiliates will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of the Notes represented by the Global Note or for maintaining, supervising or reviewing records relating to any such ownership.

The Bank retains the right, as a condition to payment of amounts at the Maturity Date, to require the surrender for cancellation of any certificate evidencing the Notes.

Neither the Bank nor CDS will be bound to recognize the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

Deferred Payment

Federal laws of Canada preclude the charging of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. When any payment is to be made by the Bank to an Investor at the Maturity Date, payment of a portion of such payment constituting a Variable Return that would exceed 60% per annum may be deferred to ensure compliance with such laws. In addition, the Bank may withhold a portion of any payment to an Investor that the Bank is legally able or required to withhold. The Bank will pay the portion so deferred to the Investor together with interest at the Bank’s equivalent term deposit rate as soon as Canadian law permits.

Form of the Notes

General

Each Note will be represented by a global Note representing the entire issuance of Notes. The Bank will issue Notes evidenced by certificates in definitive form to a particular Investor only in limited circumstances.

Global Note

The Bank will issue the registered Notes in a form of a fully registered global Note that will be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in a denomination equal to the aggregate Principal Amount of the Notes. Unless and until it is exchanged in whole for Notes in definitive registered form, the registered global Note may not be transferred except as a whole by and among the depository, its nominee or any successors of such depository or nominee.

The Bank anticipates that the following provisions will apply to all arrangements in respect of a depository.

Ownership of beneficial interests in a global Note will be limited to persons, called participants, that have accounts with the relevant depository or persons that may hold interests through participants. Upon the issuance of a registered global Note, the depository will credit, on its book-entry registration and transfer system, the participants’ accounts with the respective Principal Amounts of the Notes beneficially owned by the participants. Any dealers participating in the distribution of the Notes will designate the accounts to be credited. Ownership of beneficial interests in a registered global Note will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depositary, or its nominee, is the registered owner of a registered global Note, that depositary or its nominee, as the case may be, will be considered the sole owner or Investor of the Notes represented by the registered global Note for all purposes. Except as described below, owners of beneficial interests in a registered global Note will not be entitled to have the Notes represented by the registered global Note registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or Investors of Notes. Accordingly, each person owning a beneficial interest in a registered global Note must rely on the procedures of the depositary for that registered global Note and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of an Investor. The Bank understands that under existing industry practices, if the Bank requests any action of Investors or if an owner of a beneficial interest in a registered global Note desires to give or take any action that an Investor is entitled to give or take in respect of the Notes, the depositary for the registered global Note would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Payments on the Notes represented by a registered global Note registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global Note. The Bank will not have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global Note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

The Bank expects that the depositary for any of the Notes represented by a registered global Note, upon receipt of any payment on the Notes, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global Note as shown on the records of the depositary. The Bank also expects that payments by participants to owners of beneficial interests in a registered global Note held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

Definitive Notes

If the depositary for any of the Notes represented by a registered global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depositary, and a successor depositary is not appointed by the Bank within 90 days, the Bank will issue Notes in definitive form in exchange for the registered global Note that had been held by the depositary.

In addition, the Bank may at any time and in its sole discretion decide not to have any of the Notes represented by one or more registered global Notes. If the Bank makes that decision, the Bank will issue Notes in definitive form in exchange for all of the registered global Notes representing the Notes.

Except in the circumstances described above, beneficial owners of the Notes will not be entitled to have any portions of such Notes registered in their name, will not receive or be entitled to receive physical delivery of the Notes in certificated, definitive form and will not be considered the owners or Investor of a global Note.

Any Notes issued in definitive form in exchange for a registered global Note will be registered in the name or names that the depositary gives to the Bank or its agent, as the case may be. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global Note that had been held by the depositary.

The text of any Notes issued in definitive form will contain such provisions as the Bank may deem necessary or advisable. The Bank will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Bank, or at such other offices notified by the Bank to Investors.

No transfer of a definitive Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank or its agent, and upon compliance with such reasonable conditions as may be required by the Bank or its agent and with any requirement imposed by law, and entered on the register.

Payments on a definitive Note will be made by cheque mailed to the applicable registered Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Investor at least five Business Days before the date of the payment and agreed to by the Bank, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Note is conditional upon the Investor first delivering the Note to the Bank which reserves the right, in the case of payment of Variable Return prior to the Maturity Date, to mark on the Note that Variable Return has been paid in full, or, in the case of payment of Variable Return and the Principal Amount under the Note in full, to retain the Note and mark the Note as cancelled.

Dealings in Units

The Bank and its affiliates may from time to time, in the course of its normal business operations, hold Units or other securities of the Fund or interests linked to the Units or such securities. The Bank and its affiliates may deal in the Units and other securities of the Fund and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Fund, the Fund Manager and/or any issuer the securities of which may, from time to time, be held by the Fund or any other person or entity having obligations relating to such issuer and may engage in proprietary trading in the Units, other securities of the Fund or the securities of any issuer represented, from time to time, in the Fund or in options, futures or derivatives relating to the securities (including such trading as the Bank may deem appropriate, in its discretion, to hedge any risk in connection with the Notes) and may act with respect thereto in the same manner as it would if the Notes did not exist, regardless of whether any such action may have an adverse effect on the net asset value of the Units and thus the Variable Return, if any, payable in respect of the Notes. The Bank and its affiliates may, whether by virtue of the relationships described above or otherwise, from time to time be in possession of information in relation to the Fund or any issuer represented, from time to time, in the Fund, that may not be publicly available or known to Investors, and the Notes do not create an obligation on the part of the Bank or its affiliates to disclose to Investors such relationship or information (whether or not confidential).

Notification

All notices to Investors regarding the Notes will be valid and effective: (i) if such notices are given (which notice may be given by wire or fax) to the applicable depository (initially being CDS) and its relevant participants; or (ii) in the case where the Notes are directly registered in the Investors' names and issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Investors; provided, however, that any required notice of an Extraordinary Event or Market Disruption Event will also be published in the Toronto and national editions of a major daily English language Canadian newspaper with national circulation and in a daily French language newspaper of general circulation in Montreal.

Amendments to the Notes

The terms of the Notes may be amended without the consent of the Investors by the Bank and if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the Investors. In other cases, the terms of the Notes may be amended if the Bank proposes the amendment and if the amendment is approved by a resolution passed by the favourable votes of the Investors holding not less than 66⅔% of the Principal Amount of the Notes represented at a meeting convened for the purpose of considering the resolution. The quorum for a meeting of Investors is at least two Investors represented in person or by proxy holding at least 10% of the Principal Amount of the Notes outstanding. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting will be adjourned to another day, not less than 10 days or more than 21 days later, selected by the Bank and notice will be given to the Investors of such adjourned meeting. The Investors present at the adjourned meeting will constitute a quorum. Each Investor is entitled to one vote per Note held by such Investor for the purposes of voting at meetings.

The Notes do not carry the right to vote in any other circumstances.

Investor's Right of Cancellation

A person may cancel any order to buy a Note (or its purchase if issued) by providing instructions to the Bank or through his or her investment advisor at any time up to 48 hours after the later of: (i) the day on which the agreement to purchase the Notes is entered into; and (ii) deemed receipt of this Information Statement. For all purposes, the agreement to purchase the Notes shall be deemed to be entered into: (i) if the order to purchase is received by telephone or electronic means, on the same day on which the order to purchase is received; and (ii) if the order to purchase is received in person, on the later of 48 hours following: (a) the day of deemed receipt of this Information Statement; and (b) the day on which the order to purchase is received.

A person will be deemed to have received the Information Statement: (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax, if provided by fax; (iii) five business days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

A person cancelling the purchase of a Note is entitled to receive a refund of the Principal Amount, if any, deposited by the person to purchase the Note and any fees relating to the purchase that may have been paid by such person. The right of cancellation does not extend to Investors buying Notes in the secondary market.

THE FUND

The Fund Account will consist of Units of the Signature Income & Growth Fund. The Fund is managed by CI Investments Inc. All information in this Information Statement relating to the Fund is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither the Bank, the Selling Agent nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation of the net asset value of the Fund or the provision of any future information in respect of the Fund. The current simplified prospectus and other information about the Fund may be obtained at www.ci.com. The following information is taken from the current simplified prospectus of the Fund, as amended to the date of this Information Statement, and from other publicly available sources.

All references to Units are to Class A units of the Fund, which are the class of units that are generally available to all investors. The daily net asset value of the Class A units of the Fund can be found at www.ci.com.

Historical performance of the Units of the Fund is shown below. **That historical performance is not predictive of the future performance of the Fund or the Variable Return, if any, that may be payable on the Notes, which is impossible to predict.**

Who Manages the Fund?

The Fund is managed by CI Investments Inc., a leading Canadian-owned investment management company. CI Investments Inc. is wholly owned by Canadian International LP, the general partner of which is wholly owned by CI Financial Income Fund, an independent, Canadian-owned wealth management firm with approximately \$99.6 billion in fee-earning assets as of March 31, 2008. CI Financial Income Fund is a publicly traded income trust listed on the Toronto Stock Exchange under the ticker symbol CIX.UN.

What does the Fund Invest in?

Investment objectives

The Fund seeks to provide a steady flow of current income while preserving capital by investing in a diversified portfolio of securities composed mainly of equity, equity-related and fixed income securities of Canadian issuers. The Fund may also invest in foreign securities. The fundamental investment objective of the Fund cannot be changed without obtaining unitholder approval.

Investment strategies

The portfolio advisor, Signature Global Advisors, a division of CI Investment Inc., seeks to achieve the Fund's investment objective by investing in a combination of equity, fixed income and derivatives. To the extent

the Fund invests in equity securities, these will include preferred and common shares broadly diversified by sector and style. Fixed income may consist of high-yielding government and corporate bonds, debentures and notes. This may include securities that are unrated or have credit ratings below investment grade. The term to maturity of these securities will vary depending on the portfolio advisor's outlook for interest rates. The Fund may also generate income by investing in real estate investment trusts (REITs), royalty trusts, income trusts and other similar high yielding instruments. The portfolio advisor will seek to produce additional income through covered call writing and other derivative strategies.

The portfolio advisor uses a combination of top down macro analysis and fundamental analysis for bottom-up security selection.

When deciding to buy or sell an investment, the portfolio advisor also considers whether the investment is a good value relative to its current price.

The portfolio advisor may also choose to:

- invest the Fund's assets in foreign securities, it being currently expected that investments in foreign securities will generally be no more than 49% of the Fund's assets;
- use warrants and derivatives such as options, futures, forward contracts and swaps as permitted by securities regulations;
- enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income for the Fund; or
- temporarily hold cash or cash-equivalent securities for strategic reasons.

The Fund may from time to time invest a portion of the assets in securities of other mutual funds.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the portfolio advisor uses the same analysis that is described above for deciding whether to purchase the securities. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. The Fund is permitted to engage in short selling as a result of special relief it obtained from the Canadian securities regulators.

Distribution Policy

The Fund expects to pay ordinary taxable dividends and capital gains dividends each December.

As at April 30, 2008 the indicated distribution yield of the Fund was 6.74%. The indicated rates of return of the Fund are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Top 10 Holdings

The following investments represent the top 10 holdings of the Fund as at April 30, 2008:

Investment	% of Assets
Canadian Imperial Bank of Commerce	2.55%
Royal Bank of Canada	1.75%
The Toronto-Dominion Bank	1.65%
The Bank of Nova Scotia	1.63%
Suncor Energy Inc.	1.61%
EnCana Corporation	1.44%
Talisman Energy Inc.	1.12%
BNP Paribas SA	1.10%
ING Group NV	0.94%
Lincoln National Corp.	0.79%

Management Expense Ratio

The Fund has certain expenses from time to time including management fees paid to CI Investments Inc., the manager of the Fund, for the management services provided by it. The ratio of these expenses to the net asset value of the Fund is called the management expense ratio (or MER) which was 2.30% for the 2007 fiscal year. The MER may go up or down over the term of the Notes.

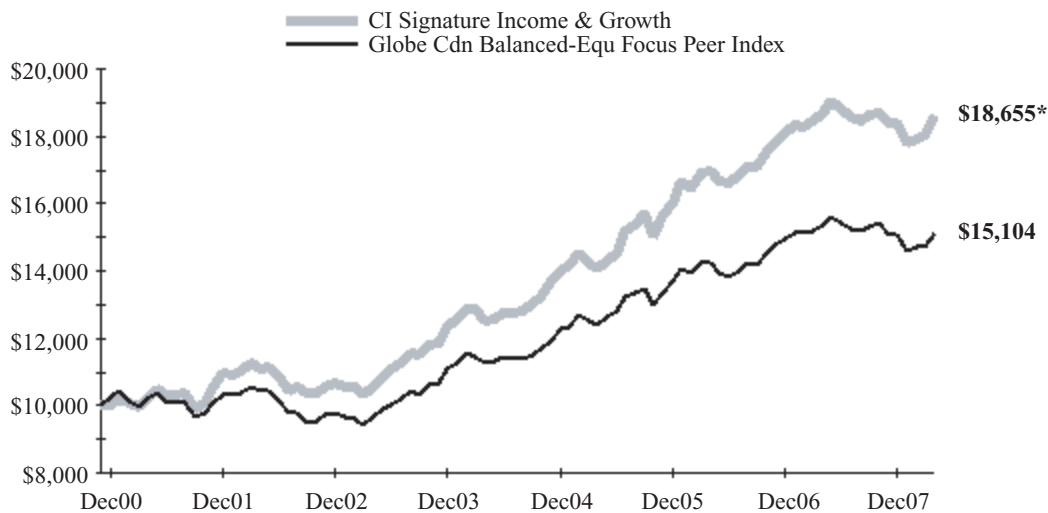
Historical Performance

The historical performance of the Fund is summarized in the tables below.

Performance as of April 30, 2008						
YTD	1 mth	3 mth	1 yr	3 yr	5 yr	Life
1.37%	3.46%	4.86%	-0.29%	9.87%	12.05%	8.71%

Calendar Year Performance						
2001	2002	2003	2004	2005	2006	2007
9.00%	-2.4%	15.6%	13.3%	14.7%	12.7%	1.8%

The chart shows the total return of a \$10,000 investment in the Fund between November 30, 2000 and April 30, 2008 compared to a \$10,000 investment in the Globe Canadian Balanced Equity Focus Peer Index for the same period. At the end of this period, the initial investment in the Fund would have grown to \$18,655 compared to \$15,104 for the Global Canadian Balanced Equity Focus Peer Index.



INTEREST ON SUBSCRIPTION PROCEEDS

Subscription proceeds submitted by Investors in advance of the Issue Date will be held in an account by the Selling Agent and will bear interest at an annual rate equal to 2%. A purchaser of Notes will receive credit for interest accruing on funds so delivered in the form of additional whole Notes. The number of additional Notes for a purchaser would equal the dollar amount of interest that would accrue on the funds delivered at a rate of 2% per annum from the date on which such funds are received, to but excluding the Issue Date, divided by the \$100 purchase price of a Note, rounded down to the nearest whole number. No fractional Notes will be issued. The purchaser will be required to include (in accordance with the detailed rules of the Act relating to the accrual and inclusion of interest) in computing its income for the purposes of the Act, the amount of such interest. Despite the delivery of such funds in respect of an offer to purchase Notes, the Bank reserves the right not to accept any such offer. If for any reason Notes are not issued to a person who has delivered such funds, delivered funds will be forthwith returned together with interest paid in cash at a rate of 2% per annum (calculated from the date the funds are received, to but excluding the date on which such funds are returned), subject to a minimum of \$100 and only in integral multiples of \$100 rounded down to the nearest integral multiple of \$100. The purchaser will be required to include (in accordance with the detailed rules of the Act relating to the accrual and inclusion of interest) in computing its income for the purposes of the Act, the amount of such interest. In any case, whether or not the Notes are issued, no other interest or other compensation will be paid to the purchaser in respect of delivered funds to or to the dealer or financial advisor representing such purchaser. The payment of any interest, whether or not in the form of additional Notes, is the responsibility of the Bank and the Selling Agent has no responsibility for the payment of such interest. The Bank will file an information return with the CRA in respect of any amount required to be included in an Investor's income in respect of such interest and will provide the Investor with a copy of such return.

FUNDSESV

General

Some Investors may purchase Notes through dealers and other firms on the FundSERV Inc. ("FundSERV") network, which facilitates order flow. The following FundSERV information is pertinent for such Investors. Investors should consult with their financial advisors as to whether their Notes have been purchased through the FundSERV network and to obtain further information on the FundSERV network procedures applicable to those Investors.

Where an Investor's purchase order for Notes is effected by a dealer or other firm through the FundSERV network, such dealer or other firm may not be able to accommodate a purchase of Notes through certain registered plans for purposes of the Act. Investors should consult their financial advisors as to whether their orders for Notes will be made through the FundSERV network and any limitations on their ability to purchase Notes through certain registered plans.

The FundSERV network is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products (including brokers and dealers who sell investment funds, companies who administer registered plans that include investment funds and companies who sponsor and sell financial products) with online order access to such financial products. The FundSERV network was originally designed and is operated as a mutual fund communications network facilitating the members in electronically placing, clearing and settling mutual fund orders. In addition, the FundSERV network is currently used in respect of other financial products that may be sold by financial planners, such as the Notes. The FundSERV network enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

FundSERV-Enabled Notes Held Through Scotia Capital Inc., a CDS Participant

As stated above, all Notes will initially be issued in the form of a fully registered global Note that will be deposited with CDS. Notes purchased through the FundSERV network ("FundSERV-enabled Notes") will also be evidenced by that Global Note, as are all other Notes. See "Description of the Notes — Form of the Notes" above for further details on CDS as a depository and related matters with respect to the Global Note. Investors

holding FundSERV-enabled Notes will therefore have an indirect beneficial interest in the Global Note. That beneficial interest will be recorded in CDS as being owned by Scotia Capital Inc., as a direct participant in CDS. Scotia Capital Inc. will in turn record in its records respective beneficial interests in the FundSERV-enabled Notes. An Investor should understand that Scotia Capital Inc. will make such recordings as instructed through the FundSERV network by the Investor's financial advisor.

Purchase Through a Distributor on the FundSERV Network

In order to complete the purchase of FundSERV-enabled Notes, the full subscription price (i.e., the aggregate Principal Amount therefor) must be delivered to Scotia Capital Inc. in immediately available funds by no later than the Issue Date. Despite delivery of such funds, Scotia Capital Inc. reserves the right not to accept any offer to purchase FundSERV-enabled Notes. If FundSERV-enabled Notes are not issued to the Investor for any reason, such funds will be returned forthwith to the Investor.

A purchaser of Notes will receive credit for interest accruing on funds so delivered in the form of additional whole Notes. If for any reason Notes are not issued to a person who has delivered such funds, delivered funds will be forthwith returned together with interest paid in cash to the prospective purchaser's dealer or financial advisor through the FundSERV network. See "Interest on Subscription Proceeds" for details, including the tax treatment of such interest. In any case, whether or not the Notes are issued, no other interest or other compensation will be paid to the purchaser in respect of delivered funds to or to the dealer or financial advisor representing such purchaser. The payment of any interest, whether or not in the form of additional Notes, is the responsibility of the Bank and the Selling Agent has no responsibility for the payment of such interest.

Sale Through a Distributor on the FundSERV Network

An Investor wishing to sell FundSERV-enabled Notes prior to the Maturity Date is subject to certain procedures and limitations to which an Investor holding Notes through a "full service broker" with direct connections to CDS may not be subject. Any Investor wishing to sell a FundSERV-enabled Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. An Investor must sell FundSERV-enabled Notes by using the "redemption" procedures of the FundSERV network; any other sale or redemption is not possible. Accordingly, an Investor will not be able to negotiate a sales price for FundSERV-enabled Notes. Instead, the financial advisor for the Investor will need to initiate an irrevocable request to "redeem" the FundSERV Note in accordance with the then established procedures of the FundSERV network. Generally, this will mean the financial advisor will need to initiate such request by 1:00 p.m. (Toronto time) on a Business Day (or such other time as may hereafter be established by the FundSERV network). Any request received after such time will be deemed to be a request sent and received on the next following Business Day. Sale of the FundSERV-enabled Note will be effected at a sale price equal to (i) the "net asset value" of a Note as of the close of business on the applicable Business Day as posted to the FundSERV network by Scotia Capital Inc., minus (ii) any applicable Early Trading Charge (as outlined under "Secondary Trading of Notes"). The "net asset value" of a Note will factor in accrued interest, if any. The Investor should be aware that, although the "redemption" procedures of the FundSERV network would be utilized, the FundSERV-enabled Notes of the Investor will not be redeemed by Scotia Capital Inc. but rather will be sold in the secondary market to Scotia Capital Inc. In turn, Scotia Capital Inc. will be able in its discretion to sell those FundSERV-enabled Notes to other parties at any price, to hold them in its inventory or to arrange for purchase for cancellation by the Bank.

Investors should also be aware that from time to time such "redemption" mechanism to sell FundSERV-enabled Notes may be suspended for any reason without notice, thus effectively preventing Investors from selling their FundSERV-enabled Notes. Potential Investors requiring liquidity should carefully consider this possibility before purchasing FundSERV-enabled Notes.

Scotia Capital Inc. is the "fund sponsor" for the FundSERV-enabled Notes within the FundSERV network. It is required to post a "net asset value" for the FundSERV-enabled Notes on a daily basis, which value may also be used for valuation purposes in any statement sent to Investors. See the second paragraph under the heading "Description of the Notes — Secondary Trading of Notes" for some of the factors that will determine the "net asset value" or Bid Price of the Notes at any time. The sale price will actually represent Scotia Capital Inc.'s Bid

Price for the Notes as of the close of business for the applicable Business Day less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest bid price possible in any secondary market for the Notes, but will represent Scotia Capital Inc.'s Bid Price generally available to all Investors as at the relevant close of business, including clients of Scotia Capital Inc.

An Investor holding FundSERV-enabled Notes should realize that such FundSERV-enabled Notes may not be transferable to another dealer, if the Investor were to decide to move his or her investment account to such other dealer. In that event, the Investor would have to sell the FundSERV-enabled Notes pursuant to the procedures outlined above.

FEES AND EXPENSES ASSOCIATED WITH THE NOTES

Portfolio Fee

The Notes will be subject to a Portfolio Fee equal to 2.95% per annum of the value of the Units held in the Portfolio deducted and calculated daily through an adjustment to the Daily Fund Return, which will be charged daily against the Portfolio. The Portfolio Fee will be accrued daily and paid daily to Scotia Capital, as Calculation Agent of the Notes. A portion of the Portfolio Fee will be paid to the Fund Manager in respect of management expenses payable on the Fund.

The Bank will also pay a selling fee to qualified selling group members of \$4.00 per Note sold.

Loan Cost

Scotia Capital will receive the interest payable on funds notionally borrowed under the Loan, calculated at an annual interest rate equal to the one-month Bankers' Acceptance Rate plus 0.25% (3.39% as of May 21, 2008), accrued daily and paid daily. This interest will be paid out of the Portfolio daily during the term of the Notes and prior to determining the amount of Variable Return, if any, payable at maturity.

For the portfolio value to increase in value on any given calculation date, the return on the units of the fund must exceed the sum of the (i) difference between the portfolio fee and the MER of the fund and (ii) 50% of the loan rate. As of May 21, 2008, this is equivalent to approximately 2.35% per annum.

USE OF PROCEEDS

The Net Proceeds will not be held by the Bank in trust for the Investors of the Notes in any segregated or other account. Rather, the Bank will use the Net Proceeds of the Offering for its general banking purposes.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Notes by an Investor who purchases Notes at the time of their issuance (an "Initial Investor"). This summary is applicable only to an Initial Investor who is an individual (other than a trust) and, for the purposes of the Act, is a resident of Canada, deals at arm's length, and is not affiliated, with the Bank and holds Notes as capital property. The Notes will generally be considered to be capital property to an Initial Investor unless: (i) the Initial Investor holds the Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Investor acquired the Notes as an adventure or concern in the nature of trade. Certain Initial Investors resident in Canada whose Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Notes as capital property may be entitled to make an irrevocable election to have the Notes and all of the Initial Investor's other "Canadian securities" deemed to be capital property pursuant to subsection 39(4) of the Act. This summary does not apply to an Initial Investor that is a corporation, partnership or trust, nor does it apply to the payment or credit of interest on the subscription price referred to under "Interest on Subscription Proceeds".

This summary is based on the current provisions of the Act and the regulations thereunder as in force on the date hereof (the "Regulations"), counsel's understanding of the current administrative and assessing

practices published in writing by the CRA and all specific proposals to amend the Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“Tax Proposals”) and assumes all Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not, except for the Tax Proposals, otherwise take into account or anticipate any changes in law or the CRA’s administrative or assessing practices, whether by legislative, governmental or judicial decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations, which are not addressed in this summary.

This summary is of a general nature only and is not intended to be legal or tax advice to any Investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Notes, based on their particular circumstances.

Variable Return

A Note is a “prescribed debt obligation” within the meaning of the Act. The rules in the Regulations applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium that could be payable on the obligation. Based in part on the CRA’s administrative practice with regard to prescribed debt obligations, there should be no deemed accrual of the Variable Return on the Notes under these provisions prior to the Maturity Date, provided that no Extraordinary Event has occurred.

When in a particular taxation year, as a result of an Extraordinary Event, the Variable Return is determined, the portion of the Variable Return that has accrued from the date of purchase of the Note up to the anniversary date of the Note in that particular taxation year generally will be required to be included in the Initial Investor’s income, except to the extent that the amount was otherwise included in income for the taxation year or a preceding taxation year. Thereafter, in each of the following taxation years, the annual accrual rules in the Regulations applicable to a prescribed debt obligation will generally apply to include in the Initial Investor’s income, a portion of the Variable Return.

The Bank will file an information return with the CRA in respect of any amount required to be included in an Initial Investor’s income as described above and will provide the Initial Investor with a copy of such return.

Disposition of Notes

On a disposition of a Note to the Bank at the Maturity Date, an Initial Investor will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the Variable Return, except to the extent otherwise included in income in the taxation year or a preceding taxation year. The Bank will file an information return with the CRA in respect of any such amount to be included in an Initial Investor’s income and will provide the Initial Investor with a copy of such return. The Initial Investor will realize a capital gain (or a capital loss) to the extent that the proceeds received from the Bank, less the Variable Return so included in income, exceed (or are less than) the aggregate of the Initial Investor’s adjusted cost base of the Note and any reasonable costs of disposition. It is expected that, in general, no capital gain will be realized by an Initial Investor who receives the Principal Amount on the repayment by the Bank on the Maturity Date.

In certain circumstances, where an Initial Investor assigns or otherwise transfers a debt obligation (other than as a consequence of a repayment of a Note on the Maturity Date), the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the Initial Investor’s income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that year or a preceding year. Other than in the event of an Extraordinary Event, there should be no amount in respect of Variable Return that will be treated as accrued interest on an assignment or transfer of a Note prior to the Maturity Date. Except as described above regarding a payment at the Maturity Date by the Bank, while the matter is not free from doubt, an amount received by an Initial Investor on a disposition or deemed disposition of a Note should give rise to a capital gain (or capital loss) to the extent proceeds of disposition exceed (or are

less than) the aggregate of the Initial Investor's adjusted cost base of the Note and any reasonable costs of disposition. **Initial Investors who dispose of Notes prior to the Maturity Date should consult their tax advisors with respect to their particular circumstances.**

One-half of a capital gain realized by an Initial Investor must be included in the income of the Initial Investor. One-half of a capital loss realized by an Initial Investor is deductible against the taxable portion of capital gains realized in the year, in the three preceding years or in subsequent years, subject to and in accordance with the rules in the Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax under the Act.

PLAN OF DISTRIBUTION

Each Note will be issued for a subscription price of 100% of the Principal Amount thereof (\$100 per Note). The subscription price was determined by negotiation between the Bank and the Selling Agent. **The Selling Agent is a wholly-owned subsidiary of the Bank. As a result, the Bank is a related issuer of the Selling Agent under applicable Canadian securities legislation.**

The closing of this Offering is scheduled to occur on or about August 29, 2008. The Bank may, at any time prior to the Issue Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Notes. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon acceptance of a subscription, the Selling Agent will deliver or cause to be delivered a confirmation of acceptance by prepaid mail or other means of delivery to the subscriber. For all purposes, the agreement to purchase the Notes shall be deemed to be entered into: (i) if the order to purchase is received by telephone or electronic means, on the same day on which the order to purchase is received; and (ii) if the order to purchase is received in person, on the later of 48 hours following: (a) the day of deemed receipt of this Information Statement; and (b) the day on which the order to purchase is received.

The Bank will pay selling expenses of \$4.00 per Note to qualified selling group members for selling the Notes. The selling expenses will be paid out of the proceeds of the Offering. The Selling Agent may form a sub-agency group including other qualified selling members. While the Selling Agent has agreed to use its best efforts to sell the Notes offered hereby, the Selling Agent will not be obligated to purchase any Notes which are not sold. For greater certainty, the Selling Agent may purchase Notes offered hereby as principal.

A global Note for the full amount of the Offering will be issued in registered form to CDS and will be deposited with CDS on the Issue Date. Subject to certain exceptions, certificates evidencing the Notes will not be available to Investors under any circumstances and registration of interests in and transfer of Notes will be made through the Book-Entry System of CDS. See "Description of the Notes — Form of the Notes".

In connection with the issue and sale of the Notes by the Bank, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement or the global Note and the Bank does not accept responsibility for any information not contained herein or therein. This Information Statement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The Notes have not, and will not be, registered under the 1933 Act or any State securities laws and, subject to certain exceptions may not be offered for sale, sold or delivered, directly or indirectly, in the United States, its territories or possessions to or for the account or benefit of U.S. persons within the meaning of Regulation S under the 1933 Act. In addition, the Notes may not be offered or sold to residents of any jurisdiction or country of Europe.

Dealers may from time to time purchase and sell Notes in any available secondary market but are not obligated to do so. The offering price and other selling terms for such sales in a secondary market may, from time to time, be varied by such dealers.

The Bank reserves the right to issue additional Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may

be offered by the Bank concurrently with the Notes. The Bank further reserves the right to purchase for cancellation at its discretion any amount of Notes in a secondary market, without notice to Investors.

DESCRIPTION OF THE BANK

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832, and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the *Bank Act* (Canada) (the “Bank Act”). The Bank is a Schedule 1 bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia and the executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1. A copy of the Bank’s by-laws are available on www.sedar.com.

The Bank is one of North America’s premier financial institutions and Canada’s most international bank. The Bank is a full-service financial institution, active in both domestic and international markets. In Canada, the Bank provides a full range of retail, commercial, corporate, investment and wholesale banking services through its extensive network of branches and offices across Canada. With approximately 60,000 employees (31,000 in Canada), the Bank and its affiliates have branches and offices serving more than 12.5 million customers in some 50 countries, which provide a wide range of banking and financial services.

The Bank has three major business lines: Domestic Banking, International Banking and Scotia Capital. Each of these three business lines is discussed below and additional information on each of the Bank’s business lines is available in the 2007 Management’s Discussion and Analysis found on page 45 of the Annual Report.

Domestic Banking

Domestic Banking provides a full range of banking and investment services to more than 7 million customers across Canada through a network of 1,005 branches, 2,852 automated banking machines (“ABMs”), as well as telephone and Internet banking. Domestic Banking includes three main businesses. Retail and Small Business Banking provides a comprehensive suite of offerings, including mortgages, loans, credit cards, investments, insurance and day-to-day banking products to individuals and small businesses. Wealth Management provides a full range of products and services, including retail brokerage (discretionary, non-discretionary and self-directed), investment management advice, mutual funds and savings products and financial planning and private client services for affluent clients. Commercial Banking delivers a full product suite to medium and large businesses.

International Banking

International Banking operates in more than 40 countries, and includes the Bank’s retail and commercial banking operations outside of Canada. Through the Bank’s network of 1,480 branches and offices and 2,980 ABMs, as well as telephone and Internet banking, International Banking provides a full range of financial services to more than 5 million customers. International Banking is organized into the following geographic regions: Caribbean and Central America, Mexico, Latin America, and Asia.

Scotia Capital

Scotia Capital is the wholesale banking arm of the Bank. Scotia Capital offers a variety of products, providing full service coverage across the NAFTA region, and serving selected niche markets globally. Scotia Capital offers financial products and services to corporate, government and institutional investor clients. Scotia Capital is organized into two main businesses. Global Capital Markets provides capital markets products and services, such as fixed income, derivatives, prime brokerage, structured products, securitization, foreign exchange, equity sales, trading and research and, through ScotiaMocatta, precious metals. Global Corporate and Investment Banking provides corporate lending, equity underwriting and mergers & acquisitions advisory services.

RISK FACTORS

Investing in the Notes is subject to certain risks. Before reaching a decision to purchase Notes, a person should carefully consider a variety of risk factors including, but not limited to, the following:

Suitability of Notes for Investment

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisors as to whether the Notes are a suitable investment in light of his or her investment objectives and the information set out in this Information Statement. None of the Bank (in its capacity as issuer and Calculation Agent), Scotia Capital Inc. (as Selling Agent), the Sub-Agent or their respective affiliates makes any recommendation as to whether the Notes are a suitable investment for any person.

The Notes have certain investment characteristics that differ from conventional fixed income investments. The Notes will not provide Investors with an income stream or return prior to the Maturity Date and may not provide any return in excess of the Principal Amount on maturity. The Notes do not provide a return in excess of the Principal Amount at the Maturity Date that is calculated or determined with reference to a fixed or floating rate of interest. Therefore, an investment in the Notes is only suitable for Investors prepared to assume risks with an investment whose return is tied to the performance of the Units. The Principal Amount is only repaid if the Notes are held to the Maturity Date. The Notes are not conventional indebtedness. The Notes do not have a fixed yield and could produce no yield. Therefore, the Notes are not suitable investments for Investors who need or expect certainty of yield.

Investors should understand that the risk involved in this type of investment is greater than that normally associated with other types of investments. The Distributions, if any, on and the capital appreciation, if any, of the Units may not be sufficient to generate any Variable Return on the Notes.

Comparison to Other Obligations

The terms of the Notes differ from those of ordinary obligations or debt instruments, in that a return, if any, is payable on the Notes only at the Maturity Date in most circumstances and only to the extent that the Final Portfolio Value per Note (which is determined after deducting all applicable Portfolio Fees) exceeds the Principal Amount. There can be no assurance that the Variable Return will be greater than zero, or that more than the Principal Amount will ever be payable with respect to the Notes. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. Accordingly, an investment in the Notes may result in a lower return when compared to alternative investments.

No Guaranteed Return on Notes

While an Investor is entitled to payment on the Maturity Date which cannot be less than the Principal Amount of the Note, the Notes do not bear a fixed rate of interest and there can be no assurance that the Notes will bear any return. Historical returns on the Units should not be considered as an indication of the future performance of the Units or the Notes. No assurance can be given, and none is intended to be given, that the Units will appreciate in the period during which the Notes are outstanding or that any return will be achieved on the Notes at the Maturity Date.

Pledging

The ability of an Investor to pledge the Notes or otherwise take action with respect to such Investor's interest in such Notes (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Uncertain Return Until the Maturity Date

There is no assurance that the Fund will be able to achieve its objective and there is no assurance that the Fund will be able to pay Distributions. In certain circumstances, the Fund may suspend the payment of Distributions. If so, Investors of Notes will not enjoy the benefits of reinvestment of notional Distributions in the

Portfolio. It should be noted that past performance of the Units is not necessarily indicative of future results. There is no guarantee that reinvested Distributions, if any, will not be offset by decreases in the net asset value of the Units such that, notwithstanding that Distributions have been reinvested, no Variable Return will be paid.

The Notes are generally not suitable for an investor who requires liquidity prior to the Maturity Date. An Investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Note (assuming the availability of a secondary market) or hold the Note until the Maturity Date. An Investor should also consult his or her tax advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date.

Dependence on Management

The Fund's success depends, as in the past, on the skill and acumen of the Fund Manager. An investment in the Notes is, apart from the principal protected feature of the Notes, subject to the same risks as a direct investment in the Fund. If the Fund Manager should cease to participate in the Fund's business and if a satisfactory replacement cannot be found, the Fund's ability to carry out its objective could be impaired. There can be no assurance that: (a) the Fund's objectives will be realized; (b) the Fund's business strategies will prove successful; (c) the Fund's Distribution policy can be maintained; or (d) the Fund can avoid losses.

Historical Performance of the Units is not an Indication of Future Performance

Variable Return, if any, will be determined on the basis of the performance of the notional Units held in the Portfolio. The historical performance of the Units is not necessarily indicative of the future performance of the Units or the Notes. It is impossible to predict whether the net asset value of the Units will increase or decrease. The net asset value of the Units will be influenced by both complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets on which the underlying securities are traded, and by various circumstances that can influence the value of the Units.

Liquidity Risk and Secondary Trading of Notes

The Notes are designed for Investors with long-term investment horizons who are prepared to hold the Notes to the Maturity Date. The Notes are not designed as a short-term investment.

The Principal Amount and Variable Return, if any, per Note are only payable at maturity. An Investor cannot elect to receive Variable Return prior to the Maturity Date. The Notes will not be listed on any stock exchange. However, the Selling Agent intends to use reasonable efforts to maintain a secondary market for the Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Investors. These efforts will consist of posting a daily Bid Price through the FundSERV network for the Notes. The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor. Investors may sell the Notes in any such secondary market prior to maturity. There is no assurance that any premium that may have been paid by an Investor having purchased Notes in the secondary market will be recouped. The price that the Selling Agent will pay to an Investor for a Note prior to the Maturity Date will be determined by the Selling Agent, acting in its sole discretion, and will be based on, among other things: (i) how much the Portfolio Value has risen or fallen since the Issue Date; and (ii) a number of other interrelated factors including, without limitation, volatility of the value of the notional assets in the Portfolio, prevailing interest rates and the time remaining to the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. In particular, Investors should realize that the secondary market price for the Notes: (i) may not rise and fall with changes in the net asset value of the Units; and (ii) may be substantially affected by changes in current interest rates independent of performance of the Units. Due to the method used to price the Variable Return, the expected value of the Variable Return may be substantially less than the value computed only with reference to the performance of the Portfolio. If an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the original Principal Amount even if the performance of the Portfolio has been positive and, as a result, the Investor may suffer losses. An Investor who sells a Note prior to the Maturity Date may have to pay an Early Trading Charge of up to 6.00% of the Principal Amount.

Potential Conflicts of Interest between the Investor and The Bank of Nova Scotia

The Bank is the issuer of the Notes. Scotia Capital will, as the Calculation Agent, calculate the amount, if any, of Variable Return paid to Investors at maturity. The Calculation Agent may also be required to exercise its judgment in relation to the Notes from time to time. For example, the Calculation Agent may have to determine whether a Market Disruption Event or an Extraordinary Event has occurred, and may, as a consequence thereof, have to make certain determinations. While the Calculation Agent is required to make all calculations and determinations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result, absent manifest error, all of the Calculation Agent's calculations and determinations will be final and binding on Investors, without any liability on the Calculation Agent's, the Selling Agent's or the Bank's part, and Investors will not be entitled to any compensation from the Bank, the Calculation Agent or the Selling Agent for any loss suffered as a result of any of the Calculation Agent's calculations and determinations. Since the Calculation Agent's calculations and determinations may affect the market value of the Notes, the Bank may have a conflict of interest if the Calculation Agent needs to make any such calculations and determinations.

Since the Bank and the Calculation Agent may be the same person, the Calculation Agent may have an economic interest adverse to those of Investors, including with respect to the Bank's hedging arrangements with respect to the Notes. The Bank and its affiliates may deal in Units and other securities of the Fund and in the securities of any issuer underlying the Fund and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Fund, the Fund Manager or the issuer of any security underlying the Fund or any other person or entity having obligations relating to such issuers and may engage in proprietary trading in the Units or in options, futures or derivatives relating to the Units (including such trading as the Bank may deem appropriate, in its discretion, to hedge any risk in connection with the Notes) and may act with respect to such business in the same manner as it would if the Notes did not exist, regardless of whether any such action might have an adverse effect on the value of the Units and, thus, the Variable Return, if any, payable in respect of the Notes. The Bank and its affiliates may, whether by virtue of the relationships described above or otherwise, from time to time be in possession of information in relation to any issuer of securities underlying the Fund that may not be publicly available or known to Investors, and the Notes do not create an obligation on the part of the Bank or its affiliates to disclose to Investors such relationship or such information (whether or not confidential).

In addition, the Bank and its affiliates may, where permitted, accept deposits from, make loans to or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Fund, the Fund Manager or any issuer of securities underlying the Fund and may act with respect to such business in the same manner as it would if the Notes did not exist, regardless if any such action may have an adverse effect on the Units and thus on the Variable Return, if any, payable in respect of the Notes.

Fees and Transaction Costs

In order for the payment at the Maturity Date to exceed the Principal Amount, the Final Portfolio Value per Note (which is determined after deducting all fees and expenses paid in respect of the Notes) must exceed the Principal Amount.

For the portfolio value to increase in value on any given calculation date, the return on the units of the fund must exceed the sum of the (i) difference between the portfolio fee and the MER of the fund and (ii) 50% of the loan rate. As of May 21, 2008, this is equivalent to approximately 2.35% per annum.

Loan Cost

The Portfolio will have exposure of 200% of the Gross Proceeds at all times during the term of the Notes using an Option-Based strategy. Accordingly, the Portfolio will have notionally borrowed money to acquire notional Units. The use of borrowed money creates increased exposure to the Units and the potential of an increased return. At the same time, however, borrowing money creates special risks. The value of the Units may change during the time a borrowing is outstanding. Since any decline in value of the Units will be borne entirely by the Portfolio (and not by those persons providing the borrowed money), a decline in the value of the Units will result in a greater decrease in the Portfolio performance than if no money was borrowed.

Notionally borrowing money will create interest expenses for Investors of the Notes. Scotia Capital will receive the interest payable on funds notionally borrowed under the Loan, calculated at an annual interest rate equal to the one-month Bankers' Acceptance Rate plus 0.25% accrued daily and paid daily. The interest costs may exceed the return made from the borrowed funds. To the extent that the return on the notional Units purchased with borrowed funds is greater than the interest the Notes will have to pay on the borrowed money, then the Portfolio performance will be greater than the return if no funds were borrowed. Conversely, if the return from the notional Units acquired with borrowed funds is not sufficient to cover the interest costs on the borrowed money, then the Portfolio performance will be less than if no money was borrowed.

Regulatory Change

Future regulatory changes in applicable jurisdictions could have a material adverse effect on the Fund and the Notes.

Credit Risk

Because the obligation to make payments to Investors is an obligation of the Bank, the likelihood that such Investors will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank.

No Deposit Insurance

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

Market Disruption Event

If a Market Disruption Event occurs and continues for eight consecutive Business Days, the Calculation Agent may, in its discretion, determine the net asset value of the Units or, alternatively, designate the occurrence of such event as an Extraordinary Event. In such circumstances, the Variable Return, if any, may be less than the Variable Return, if any, that would otherwise have been payable had the Market Disruption Event not occurred. See "Description of the Notes — Special Circumstances — Market Disruption Event" and "Description of the Notes — Special Circumstances — Extraordinary Event."

A Market Disruption Event may also result in a delay in payment of the Variable Return, if any. If a Market Disruption Event occurs and is not resolved by the Final Calculation Date, payment of the Principal Amount will occur on the Maturity Date, and payment of the Variable Return, if any, will occur as soon as practicable following resolution of the Market Disruption Event and, in any event, no later than 180 days after the Maturity Date.

Extraordinary Event

If an Extraordinary Event (as defined herein) occurs, the Calculation Agent may, following consultation with the Fund Manager, replace the Fund with another mutual fund managed or sponsored by the Fund Manager that has investment objectives and strategies similar to those of the Fund in effect immediately prior to the occurrence of the Extraordinary Event. If the Calculation Agent, following consultation with the Fund Manager, is unable to identify another such mutual fund managed or sponsored by the Fund Manager, then the Calculation Agent may elect to accelerate the occurrence of any remaining Calculation Dates and thereupon determine the Variable Return, if any, as of the Extraordinary Event Notification Date. In no event will payment of the Principal Amount per Note be accelerated. If an Extraordinary Event occurs, the possibility of receiving more than the Principal Amount of \$100 per Note at the Maturity Date may be significantly reduced. In this case, Investors may only have the Principal Amount of their Notes returned to them on the Maturity Date. See "Description of the Notes — Special Circumstances — Extraordinary Event".

No Independent Calculation

As part of its responsibilities, the Calculation Agent, acting reasonably, will be solely responsible for computing the Portfolio Value and the Variable Return, if any. No independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

Risks Relating to the Fund

The Variable Return, if any, payable on the Notes is linked to the performance of the Portfolio which, in turn, is based on the performance of the Units. Accordingly, certain risk factors applicable to investors who invest directly in Units are also applicable to an investment in Notes to the extent that such risk factors could adversely affect the Distributions made by, and the performance of, the Fund. Reference is made to the continuous disclosure record of the Fund, which may be obtained at www.sedar.com. Investors are urged to review the salient risk factors applicable to the Fund prior to making an investment decision with respect to the Notes. The Bank is not affiliated with the Fund or the Fund Manager and has not performed any due diligence investigation or review of the Fund. Neither the Bank, the Selling Agent or their respective affiliates assume any responsibility for the adequacy of the information concerning the Fund contained in this Information Statement or publicly available. Prospective investors should undertake an independent investigation of the Fund as they deem necessary to allow them to make an informed decision with respect to an investment in the Notes.

No Control over Management

Since the Portfolio is notional only, Investors will have no ownership or other interest in the Units comprising the Portfolio other than the right to be paid a return, if any, on the Notes based on the performance of the Portfolio. There will be no control over the management of the Fund. The performance of the Notes will depend in part on the ability and success of the Fund Manager, in addition to general economic and market factors.

No Ownership of Units

The Notes will not entitle an Investor to any direct or indirect ownership of or entitlement to Units notionally held in the Portfolio. As such, an Investor will not be entitled to the rights and benefits of a unitholder of the Fund, including any right to receive Distributions or dividends or to vote at or attend meetings of unitholders of the Fund.

Owning the Notes is different from owning Units. The Notes do not represent a direct substitute for an investment in the Fund. Investing in the Notes provides the opportunity to participate in the value of the Portfolio, while receiving at the Maturity Date repayment of the Principal Amount invested in each Note. As such, the Notes serve as a way of participating in the appreciation in the Units, if any, while assuring the ultimate return of the Principal Amount invested on the Maturity Date.

Economic and Regulatory Issues

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund and the Units. None of these conditions are within the control of the Bank.

The Notes are not subject to Canadian securities laws. Accordingly, Investors do not have the same rights of action with respect to the disclosure in this Information Statement that a prospectus would provide. No securities commission or similar authority has in any way passed upon the merits of the Notes or the Information Statement.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Statement from documents filed by the Bank with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from the Executive Vice-President, General Counsel and Secretary, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672.

The following documents are specifically incorporated by reference into, and form an integral part of, this Information Statement:

- (a) the Bank's Annual Information form dated December 18, 2007;
- (b) the Bank's Management Proxy Circular attached to the Notice of Meeting dated January 14, 2008;
- (c) the Bank's consolidated interim financial statements (unaudited) and Management's Discussion and Analysis of financial condition and results of operations as at and for the three and six months ended April 30, 2008;
- (d) the Bank's consolidated financial statements for the years ended October 31, 2007 and 2006 together with the auditors' report thereon;
- (e) the Bank's Management's Discussion and Analysis of financial condition and results of operations as contained in the Bank's Annual Report for the year ended October 31, 2007; and
- (f) a material change report of the Bank dated December 5, 2007 in respect of the Bank's acquisition of Banco del Desarrollo, Chile's seventh largest bank.

Any documents of the type referred to in the preceding paragraph and any unaudited interim financial statements for three, six or nine months financial periods, any information circulars, any material change reports (excluding confidential material change reports), news release containing financial information concerning the Bank for period following October 31, 2007 and any business acquisition reports for acquisitions completed after October 31, 2007 filed by the Bank with a securities regulatory authority in Canada after the date of this Information Statement and prior to the completion or withdrawal of this Offering, are deemed to be incorporated by reference in this Information Statement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein or contemplated in this Information Statement shall be deemed to be modified or superseded for purposes of this Information Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Statement.

GLOSSARY

“**Act**” means *Income Tax Act* (Canada).

“**Bank**” means The Bank of Nova Scotia.

“**Bankers’ Acceptance Rate**” means, in respect of calculating interest on the Loan for a particular calculation period, the arithmetic average as determined by the Calculation Agent of the rates for Canadian dollar bankers’ acceptances having a comparable face amount and identical maturity date to such bankers’ acceptance appearing on Reuters Screen CDOR Page “Canadian Interbank Bid BA Fee Rates” (or such other page as the Calculation Agent shall designate which replaces that page for the purpose of displaying rates quoted for such bankers’ acceptances) at approximately 10:00 a.m. (Toronto time) on the first Business Day of the calculation period.

“**Bid Price**” has the meaning ascribed thereto under “Summary — Secondary Market.”

“**Business Day**” means any day, other than a Saturday, a Sunday or any day in which the Bank is closed in Toronto, Ontario.

“**Calculation Agent**” means Scotia Capital or its delegate.

“**Calculation Date**” means a day that is a Business Day, commencing with the Issue Date and ending with the Final Calculation Date.

“**CDS**” means CDS Clearing and Depository Service Inc.

“**CRA**” means Canada Revenue Agency.

“**Daily Fund Return**” has the meaning ascribed thereto under “Summary — Final Portfolio Value”.

“**DBRS**” means Dominion Bond Rating Service Limited.

“**Distribution**” means a distribution, if any, by the Fund on Units paid and received in cash or Units, unless such distributed Units are consolidated into the Units outstanding immediately prior to such distribution or any other similar transaction is effected by the Fund so that the net effect to holders of Units is not the receipt of cash or additional Units.

“**Early Trading Charge**” has the meaning ascribed thereto under “Description of the Notes-Early Trading Charge”.

“**Exchange**” means any relevant exchange, market or quotation system.

“**Exchange Business Day**” means, in respect of the Fund, any day on which each Exchange for securities held by the Fund or for futures, option contracts or future contracts in respect of those securities are scheduled to be open for trading during their respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

“**Extraordinary Event**” means any of the following events that occur on or after the Issue Date and prior to the Maturity Date where the Calculation Agent, acting reasonably and in good faith, has determined, following consultation with the Fund Manager, to designate such event as an “Extraordinary Event”: (i) the winding-up, dissolution, liquidation of the Fund or other cessation of trading of any Units; (ii) the Fund Manager or any affiliate of the Fund Manager ceases to act as manager of the Fund; (iii) a material modification of the terms and conditions attached to any Units (including but not limited to a material modification of the constating documents of the Fund) or the occurrence of any event or change having a material adverse effect on any Units (including, but not limited to, the interruption, breakdown or suspension for a significant period of time of redemption of any of the Units); (iv) the investment objectives of the Fund are modified or the investment strategies of the Fund are modified (except where such modification is of a formal, minor or technical nature), in either case, in a manner that the Calculation Agent, acting reasonably, considers material; (v) any relevant activities of or in relation to the Fund or its management are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or

directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; (vi) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund; (vii) any change in or in the official interpretation or administration of any laws or regulation relating to taxation that has or is likely to have a material adverse effect on any holder of the Units or in respect of any hedge established in connection with the Offering; (viii) the Bank is unable to effectively acquire, establish, reestablish, substitute, maintain, modify or unwind, any hedge transaction in connection with the Offering or to realize, recover or remit the proceeds of any such hedging transaction; (ix) an increase in the cost of acquiring, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedging transaction entered into connection with the Offering or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction; (x) as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event: (1) it would become unlawful for any holder of any Unit to hold, purchase or sell any Units; (2) the cost of investing in any Units would materially increase, other than ordinary course increases in the market value of Units; or (3) a holder of any Unit would be subject to a material loss as a result of holding any Units; or (xi) a Market Disruption Event continues in effect for eight or more consecutive Business Days and the Calculation Agent designates such event to be an Extraordinary Event.

“Final Calculation Date” means three Business Days prior to the Maturity Date.

“Final Portfolio Value” means the Portfolio Value as of the Final Calculation Date.

“Fund” means Signature Income & Growth Fund.

“Fund Manager” means CI Investments Inc.

“Gross Proceeds” means \$100 per Note.

“Initial Investor” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“Investor” means a holder of Notes.

“Issue Date” has the meaning ascribed thereto under “Summary — Issue Date”.

“Issue Price” means \$100 per Note.

“Loan” has the meaning ascribed thereto on the cover page.

“Loan Charge” has the meaning ascribed thereto under “Summary — Final Portfolio Value”.

“Loan Rate” has the meaning ascribed thereto under “Summary — Final Portfolio Value”.

“Market Disruption Event” means, in respect of Units or the Fund, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Bank or any person that does not deal at arm’s length with the Bank which in the reasonable opinion of the Calculation Agent, acting in good faith following consultation with the Fund Manager, has or will have a material adverse effect on the ability of equity dealers generally to acquire, establish, re-establish, substitute, maintain, unwind or modify hedges of positions in respect of any Units. A Market Disruption Event may include, without limitation, any of the following events: (i) any suspension of or limitation imposed on trading or redemptions in respect of any Units; (ii) any suspension or limitation imposed on trading on any Exchange: (a) relating to any securities held by the Fund; or (b) in futures or options contracts or futures contracts related to any securities held by the Fund; (iii) the closure (“Early Closure”) on any Exchange Business Day of the relevant Exchange(s) on which any securities held by the Fund are traded prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange system for execution at the close of trading on such Exchange Business Day; (iv) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market

participants in general: (a) to effect transactions in, or obtain market values for, any securities held by the Fund; or (b) to effect transaction in, or obtain market values for, futures or options contracts relating to any securities held by the Fund; (v) the failure on any Exchange Business Day on which any securities held by the Fund are traded to open for trading during its regular trading session; (vi) except as otherwise agreed between a Fund investor and the Fund Manager and except as disclosed in the Fund's disclosure documents, the non-execution or partial-execution by the Fund of a subscription order or redemption order given by a holder of any Units of the Fund or a refusal to transfer Units to an eligible transferee save where such non-execution, partial execution or refusal is the result of circumstances beyond the control of the Fund; (vii) except as otherwise disclosed in the Fund's disclosure documents, any mandatory redemption or other reduction (actual or potential, as determined by the Calculation Agent in its sole discretion) in the number of Units held by any holder of such Units of the Fund for any reason beyond the control of such holder; (viii) any failure by the Fund Manager to calculate or publish the daily official net asset value per Unit of the Fund in a timely fashion; (ix) the Fund imposes in whole or in part any restriction, charge or fee in respect of a redemption or subscription of any securities of the Fund by any holder that would impact the performance of such securities (other than any restriction, charge or fee applicable to a holder of Units at the Issue Date); (x) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Bank or the Calculation Agent to perform its obligations under the Notes or for equity dealers generally to acquire, establish, re-establish, substitute, maintain, unwind or modify hedges of positions in respect of any securities held by the Fund; (xi) the taking of any action by any governmental, administrative legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange is located; or (xii) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank or the Calculation Agent to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to any Unit or any securities held by the Fund or a material and adverse effect on the Canadian economy or the trading of securities generally on any relevant Exchange.

"Maturity Date" means February 13, 2015.

"Moody's" means Moody's Investors Service, Inc.

"Net Proceeds" means \$96.00 per Note.

"Notes" means The Bank of Nova Scotia — CI 2X™ Deposit Notes, Series 1 offered by this Information Statement.

"Offering" means the offering of the Notes pursuant to this Information Statement.

"Participants" has the meaning ascribed thereto under "Summary-Book-Entry Only Registration".

"Portfolio" has the meaning ascribed thereto under "Summary".

"Portfolio Fee" has the meaning ascribed thereto under "Summary — Fees and Expenses".

"Portfolio Value" has the meaning ascribed thereto under "Summary — Final Portfolio Value".

"Previous Portfolio Value" for any Calculation Date means the Portfolio Value determined by the Calculation Agent for the immediately preceding Calculation Date.

"Principal Amount" means \$100 per Note.

"Regulations" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Scheduled Closing Time" means, in respect of an Exchange on an Exchange Business Day, the scheduled weekday closing time of such Exchange on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scotia Capital” means, collectively, Scotia Capital Inc. and any of its affiliates and, where the context requires, “Scotia Capital” also refers to the global corporate and investment banking and capital markets products and services provided by the Bank and its affiliates.

“Selling Agent” means Scotia Capital Inc.

“Selling Agent Fees” has the meaning ascribed thereto under “Summary — Subscription Price”.

“Tax Proposals” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“Variable Return” has the meaning ascribed thereto under “Summary-Variable Return”.

SCHEDULE "A" — ORAL DISCLOSURE FOR SALES IN PERSON OR BY TELEPHONE

The Notes are governed by federal regulations applicable to "Principal Protected Notes". For any purchases of Notes in person or by telephone, the investment advisor must read the following information to the Investor at the time the purchase order is taken.

1. The Notes will be issued on or about August 29, 2008 and will mature on February 13, 2015, resulting in a term to maturity of approximately 6.5 years. The full Principal Amount of \$100 per Note will be repaid if held to maturity.
2. The performance of the Portfolio, measured from the date of issuance of the Notes, will affect the amount of Variable Return, if any, payable at maturity. The Portfolio consists of notional Class A Units of the Signature Income & Growth Fund, and provides Investors with 200% exposure to such Units through a notional Loan. It is possible that no Variable Return will be paid.
3. There is no cap or maximum amount of Variable Return, if any, that may be theoretically payable on the Notes, except that Canadian law prohibits a person from charging interest greater than 60% each year. Accordingly, payment of any amount of Variable Return in excess of 60% each year may be deferred beyond the Maturity Date to ensure compliance with such laws.
4. The Notes have certain investment characteristics that differ from conventional fixed income investments in that they do not provide investors with any return or income stream prior to the Maturity Date or a return at the Maturity Date that is calculated by reference to a fixed or floating rate of interest that is determinable prior to the Maturity Date. The Notes could produce no return on the investor's original investment. Therefore, the Notes are not suitable investments for an investor if the investor needs or expects certainty of yield.
5. The Notes are designed for investors with a long-term investment horizon who are prepared to hold the Notes to the Maturity Date and who understand and are prepared to assume risks with respect to a return tied to the performance of the Fund. Neither the Bank nor Scotia Capital make any recommendation as to the suitability of the Notes for investment.
6. The Portfolio will provide 200% exposure to Units of the Fund. To obtain 200% exposure, the Portfolio will have notionally borrowed money to acquire the additional notional Units. The use of borrowed money creates an opportunity for increased exposure to the Units and the potential of an increased return. At the same time, however, borrowing money creates special risks. Since any decline in value of the Units will be borne entirely by the Portfolio (and not by those persons providing the borrowed money), a decline in the value of the Units will result in a greater decrease in the performance of the Portfolio than if no money was borrowed. Decreases in the performance of the Portfolio will reduce the potential for the Notes to produce a Variable Return at Maturity. Notionally borrowing money will create interest expenses for Holders of the Notes. The Bank will receive the interest payable on funds notionally borrowed under the Loan, calculated at an annual interest rate equal to the Loan Rate, accrued and payable daily. The interest costs may exceed the return made from the borrowed funds. To the extent that the return on the notional Units purchased with borrowed funds is greater than the interest the Notes will have to pay on the borrowed money, then the performance of the Portfolio will be greater than the return if no funds were borrowed. Conversely, if the return from the notional Units acquired with borrowed funds is not sufficient to cover the interest costs on the borrowed money, then the Performance of the Portfolio will be less than if no money was borrowed. For the portfolio value to increase in value on any given calculation date, the return on the units of the fund must exceed the sum of the (i) difference between the portfolio fee and the MER of the fund and (ii) 50% of the loan rate. As of May 21, 2008, this is equivalent to approximately 2.35% per annum.
7. Investors cannot elect to receive the Variable Return, if any, prior to maturity. The initial investment of \$100 per Note will be repaid only at maturity. Scotia Capital Inc. has undertaken to effect the actions set out in the Information Statement for purposes of initiating and maintaining a secondary market for the Notes. If an Investor sells Notes prior to the Maturity Date, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Basket has been positive. All secondary market

sales of Notes must be effected through a service maintained by distributors in the FundSERV network. Such service may be suspended at any time without prior notice.

8. If an Investor chooses to sell a Note within the first 720 days from the Issue Date, an Early Trading Charge of up to 6.00% of the Principal Amount will reduce the amount that the Investor will receive.
9. Selling expenses of \$4.00 per Note will be paid out of the proceeds of this Offering to qualified selling group members for selling the Notes. In addition, the Notes are subject to an annual Program Fee of 2.95% per annum of the value of the Units held in the Portfolio calculated and deducted daily through an adjustment to the Daily Fund Return, which will be charged daily against the Portfolio. Scotia Capital receives a portion of this fee as does the Fund Manager. Scotia Capital will receive the interest payable on the Loan calculated at an annual interest rate equal to the one-month Bankers' Acceptance Rate plus 0.25% (3.39% as of May 21, 2008).
10. The Bank will, as long as the Notes are issued in book-entry only form through CDS, pay the Principal Amount and Variable Return, if any, to CDS or its nominee. The Bank expects that CDS or its nominee will, upon receipt of such payment, credit participants' accounts in amounts proportionate to their respective interests in the Notes.
11. The Notes are not deposits insured under the *Canada Deposit Insurance Act* or under any other deposit insurance regime.
12. Before reaching a decision to purchase any Notes, an Investor should carefully consider a variety of risk factors, including but not limited to: (i) the Notes are not suitable for all investors; (ii) the Notes are different than conventional fixed income investments; (iii) it is possible that no Variable Return will be payable; (iv) Investors have no ownership of, or recourse to, the Units; (v) payment of amounts by the Bank under the Notes is dependent upon the creditworthiness of the Bank; (vi) there is no assurance that the Selling Agent will maintain a secondary market for the Notes and if it does not, no other secondary market will be available; and (vii) the occurrence of an Extraordinary Event may accelerate the determination and payment of Variable Return, if any; however, the Principal Amount will not be repaid until maturity. Investors should read the Information Statement for a more complete discussion of the risk factors associated with an investment in the Notes.
13. An Investor may cancel an order to purchase a Note (or cancel the purchase of a Note if the Note has already been issued) by providing instructions to the Bank through his or her investment advisor at any time up to 48 hours after the later of: (i) the day on which the agreement to purchase the Note is entered into; and (ii) deemed receipt of the Information Statement. Investors should read the Information Statement for more details about their right of cancellation.
14. The terms of the Notes may be amended without the consent of the Investors by the Bank if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the Investors. In other cases, the terms of the Notes may be amended if the Bank proposes the amendment and if the amendment is approved by a resolution passed by the favourable votes of the Investors holding not less than 66⅔% of the Notes represented at a meeting convened for the purpose of considering the resolution. If an amendment is made without the consent of Investors, notice of such amendment will be provided to Investors prior to the amendment becoming effective or without delay afterwards.
15. The Bank is the issuer of the Notes. Scotia Capital will, as the Calculation Agent, calculate the amount, if any, of Variable Return payable to Investors at maturity. Since the Calculation Agent's calculations and determinations may affect the market value of the Notes, the Bank may have a conflict of interest if the Calculation Agent needs to make any such calculations and determinations.
16. The net asset value of a Note and how that value is related to the Variable Return, if any, payable under the Notes, as well as the last available measure of the reference point on which the Variable Return is to be determined and how that measure is related to the Variable Return payable under the Notes will be available after the Issue Date at www.scotia-ppns.com and upon request.

This is only a summary of certain terms of the Notes. Investors should read the Information Statement for further details on all aspects of the Notes. A soft copy of the Information Statement is available at www.scotia-ppns.com and a hard copy will be sent to each Investor upon request.



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