INFORMATION STATEMENT DATED AUGUST 24, 2007

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 Notes are being offered and sold in Canada only.

Scotiabank

THE BANK OF NOVA SCOTIA CI PERFORMER DEPOSIT NOTES (YIELD), SERIES 2

$100,000,000 MAXIMUM PRINCIPAL PROTECTED

The Bank of Nova Scotia — CI Performer Deposit Notes (Yield), Series 2, (the "Notes") issued by The Bank of Nova Scotia (the "Bank") will mature on or about October 29, 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 exposure to the distributions and capital appreciation of the Class A units (the "Units") of CI Global High Dividend Advantage Fund (the "Fund"), a mutual fund managed by CI Investments Inc. (the "Fund Manager"). The Fund seeks to: (i) provide investors with a stable stream of tax-efficient monthly distributions consisting mostly of capital gains and returns of capital, of $0.05 per Unit ($0.60 per annum); and (ii) preserve and enhance the net asset value of the Fund. Investors' return on the Notes, if any, will depend on the degree to which the Portfolio is invested in the Fund and other factors.

The Fund provides investors with the opportunity to diversify their income sources by providing exposure to high quality companies around the world with a proven ability to grow their earnings and distribute a strong, sustainable stream of cash flow.

The return on the Notes is linked to a portfolio (the "Portfolio") consisting of book-keeping accounts holding notional Units and notional 0.50% coupon bonds ("Bonds") of the Bank and a notional loan facility (the "Loan"). Initially, the Portfolio will have 125% exposure to the Units. Thereafter, the Portfolio will be rebalanced as described in this Information Statement. See "Description of the Notes — Asset Allocation and Asset Allocation Calculation".

For the avoidance of doubt, the Portfolio is notional only and all actions taken with respect thereto including, without limitation, all holdings, purchases, sales and redemptions of Units and/or Bonds, 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 and each of the Fund Account, the Bond Account, the Distribution Account (as each such term is defined below) and the Loan are book-keeping entries only, at no time will the Portfolio actually hold or own Units or Bonds and Investors will not have any rights to acquire, or any direct or indirect ownership of or entitlement to, Units, Bonds 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".

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 in this Information Statement. The Variable Return, if any, will be based on the return on the Portfolio after the payment of Program Fees and Loan interest. See "Fees and Expenses Associated with the Notes".

An amount equal to 75% of all normal cash distributions ("Distributions"), if any, made by the Fund on Units held in the Portfolio as of the record date for any such Distribution will be credited to a distribution account (the "Distribution Account") maintained by the Calculation Agent. The Distribution Account will fund the payment to Investors of monthly coupons, if any ("Monthly Coupons"), on the Notes. Any such Monthly Coupon will be paid within 10 Business Days following the end of the month in which a Distribution is paid during the term of the Notes commencing November, 2007. There is no guarantee that the Fund will make any Distributions on the Units, in which case Monthly Coupons will not be paid on the Notes. The remaining 25% of Distributions, if any, together with any Special Distributions, paid on Units in the Fund Account will be reinvested in the Fund Account at the then prevailing net asset value per Unit. See "Description of the Notes — Monthly Coupons" and "Risk Factors".

PRICE: $100 PER NOTE
Minimum Subscription: $5,000 (50 Notes)
FundSERV Code: SSP 202

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 particular circumstances of the 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 any of the Units or the Bonds. Investors should make any decision to invest in the Notes based only on their own views on the likely future performance of the Portfolio 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

The Notes have been designed to provide Investors with exposure to the capital appreciation and Distributions, if any, of the Units. An investment in Notes is suitable for investors prepared to assume risks with respect to a return tied to the performance of the Units. However, the return on the Notes, if any, is uncertain in that an investor may not receive Monthly Coupons and 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. 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 or 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).

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 "Glossary" for defined terms.

Issue: The Bank of Nova Scotia — CI Performer Deposit Notes (Yield), Series 2.

Issuer: The Bank of Nova Scotia.

Selling Agent: Scotia Capital Inc.

The Fund: CI Global High Dividend Advantage Fund.

Fund Manager: CI Investments Inc.

Principal Amount: The Notes will be sold in denominations of $100 per Note (the "Principal Amount").

Subscription Price:

Price to an Investor[1]	Selling Agent Fees	Proceeds to the Bank[2]
$100 per Note	$5.00	$95.00

(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 $100,000,000 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.

Issue Date: The Notes will be issued on or about October 29, 2007 (the actual date of issuance being the "Issue Date").

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.

Maturity Date/Term: The Notes will mature on October 29, 2015, resulting in a term to maturity of approximately 8 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 up to 200% of exposure to the Units. The link between the Notes and the Distributions and capital appreciation, if any, on the Units of the Fund will be based on an initial notional investment of the Net Proceeds of the Offering ($95.00 per Note) plus $30.00 per Note of Loan drawdown in the Portfolio. Periodically following the Issue Date, the Portfolio will be re-allocated among the Units, Bonds and the Loan in accordance with the Asset Allocation Calculation.

Description of Fund:

The Fund is managed by CI Investments Inc., a leading Canadian-owned investment management company. CI Investments Inc. is wholly owned by CI Financial Income Fund, an independent, Canadian-owned wealth management company with approximately $97.24 billion in fee-earning assets as of July 31, 2007. CI Financial Income Fund is a publicly traded income trust listed on the Toronto Stock Exchange under the ticker symbol CIX.UN.

The Fund was established on January 20, 2006. The Fund seeks to: (i) provide investors with a stable stream of tax-efficient monthly distributions consisting mostly of capital gains and returns of capital, of $0.05 per Unit ($0.60 per annum); and (ii) preserve and enhance the net asset value of the Fund.

In order to achieve its objectives, the Fund invests primarily in equity securities of Canadian issuers, also known as its Canadian equity portfolio, as well as in dividend-paying common and preferred shares, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world. The Fund also will enter into one or more derivatives to obtain exposure to one or more baskets of securities, also called equity baskets, consisting primarily of dividend-paying common and preferred shares, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world, together with the earnings thereon. The fundamental investment objective of the Fund cannot be changed without obtaining unitholder approval.

CI Investments Inc. is the portfolio advisor of the Fund. Epoch Investment Partners, Inc. ("Epoch"), as the sub-advisor of the Fund, constructs notional baskets of securities on behalf of counterparties with whom the Fund enters into forward agreements. Epoch is based in New York and is led by President and Chief Investment Officer William Priest, who has more than 35 years of Wall Street experience. Prior to founding Epoch, Mr. Priest was Senior Partner and Portfolio Manager at Steinberg Priest & Sloane Capital Management, LLC. Before that, he was Chairman and CEO of Credit Suisse Asset Management Americas and CEO and Portfolio Manager of its predecessor firm BEA Associates, which he co-founded in 1972. During his tenure at BEA, Mr. Priest developed the firm into a well-recognized investment manager with over U.S. $25.0 billion under management. Epoch employs a value style, bottom-up approach to investing, focusing on companies that are benefiting from globalization and increasing world trade.

The Fund will endeavour to provide holders of its units with a stable stream of tax efficient monthly distributions, consisting mostly of capital gains and returns of capital, of $0.05 per unit (0.60 per annum) on or about the last business day of each month. The Fund's Distributions are intended to benefit investors in its Units as returns of capital are generally not subject to tax (returns of capital will reduce the adjusted cost base of units) and Distributions that are designated as capital gains will generally be taxed at a lower rate than distributions of interest, foreign dividends and/or other investment income. Accordingly, Units are intended to be tax efficient when compared to mutual funds and other investment funds that depend solely on such other sources of income to pay distributions to investors. If, in any year after Distributions are made, there would otherwise remain in the Fund additional net income or net realized capital gains, the Fund intends to make, on or before December 31 of that year, a Special Distribution of such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under Part 1 of the *Income Tax Act* (Canada). **There can be no assurance that any such Distribution will be made by the Fund. See "Risk Factors".**

As at July 31, 2007, the indicated distribution rate of the Fund was 5.93%. 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 Units is summarized in the table below. **Past performance of the Fund is not indicative of future performance of the Fund or the Notes.**

Performance as of July 31, 2007

YTD	1 mth	3 mth	1 yr	Since Inception
−2.29%	−3.23%	−6.24%	11.53%	6.91%

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

The Portfolio: The Portfolio will consist of three book-entry accounts, being the Fund Account, the Bond Account and the Distribution Account, and the notional Loan. The Fund Account will notionally hold Units of the Funds. It is anticipated that the Calculation Agent will initially allocate the entire Net Proceeds of $95.00 per Note plus $30.00 per Note of Loan drawdown to the notional purchase of Units for the Fund Account at the then current net asset value per Unit within eight Business Days of the Issue Date. Thereafter, the Portfolio may be re-allocated and Units may be notionally sold or purchased upon the occurrence of certain events in accordance with the Asset Allocation Calculation. **For the avoidance of doubt, the Portfolio is notional only and all actions taken with respect thereto including, without limitation, all holdings, purchases, sales and redemptions of Units and/or Bonds, receipts and reinvestment 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 action and events only. Since the Portfolio is strictly notional and each of the Fund Account, the Bond Account, the Distribution Account and the Loan are book-keeping entries only, at no time will the Portfolio actually hold or own Units or Bonds. Investors will not have any rights to acquire, or any direct or indirect ownership of or entitlement to, Units, Bonds 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.**

Fund Account: The Fund Account will notionally hold Units of the Fund and may be margined through the Loan. The Fund Account may also notionally hold,

	from time to time, a nominal amount of cash. Units in the Fund Account may be affected by an Allocation Event, a Market Disruption Event, an Extraordinary Event or a Protection Event. See "Description of the Notes — Asset Allocation and Asset Allocation Calculation".
	All references to Units are to Class A units of the Fund that are generally available to all investors. The value of a Unit notionally held in the Fund Account at any time will be equal to the net asset value of a Unit grossed-up (i.e., increased) by an amount which reflects the management expense ratio ("MER") applicable to the Units. Accordingly, the value of the Units notionally held in the Fund Account at any time will be higher than the value of the Units of the Fund by an amount that reflects the MER applicable to the Units. The Calculation Agent will be paid the Program Fee from the assets of the Portfolio.
Distribution Account:	An amount equal to 75% of all Distributions, if any, paid on Units held in the Fund Account as of the relevant record date(s) will be credited to the Distribution Account as of the date of payment of any such Distribution. The Distribution Account will fund the Monthly Coupons, if any, on the Notes. There is no guarantee that the Fund will make any Distributions on the Units during the term of the Notes, in which case no Monthly Coupons will be paid. The remaining 25% of any Distributions, as well as any Special Distributions, made on Units in the Fund Account as of the relevant record date(s) will be reinvested in the Fund Account at the then prevailing net asset value per Unit as of the applicable payment date. See "Risk Factors".
Loan:	The Units may be leveraged from time to time through a revolving loan (the "Loan"). At inception, the Loan will be drawn down $30 per Note. The amount of the Loan that may be outstanding from time to time is dependent upon the Asset Allocation Calculation and may increase (i.e., be drawn down) or decrease (i.e., be repaid) upon the occurrence of an Allocation Event. The Asset Allocation Calculation will effectively limit the amount of the Loan by imposing a maximum drawdown of $105.00 per Note providing up to 200% exposure to the Fund. See "Description of the Notes — Asset Allocation and Asset Allocation Calculation".
	Interest on any Loan will accrue daily at a rate equal to the one-month Bankers' Acceptance Rate (being the average bid rate of interest for Canadian dollar bankers' acceptances with a maturity of one month appearing on the Reuters Data Service page "CDOR" as of 10:00 a.m., Toronto time) plus 0.25% per annum, calculated daily and paid monthly (5.16% as of August 21, 2007). Interest accrued on the Loan will be paid through the redemption of the requisite number of Units from the Fund Account.
Bond Account:	The Bond Account will notionally hold 0.50% coupon bonds (each a "Bond") of the Bank that mature on the Maturity Date. Bonds will be purchased and sold at yields equal to the prevailing Canadian dollar inter-bank swap rate (using the bid swap rate for purchases and offer swap rate for sales) for a term equivalent to the remaining term of the Notes. Bonds will be purchased or sold in accordance with the Asset Allocation Calculation. No Bonds will be purchased on the Issue Date. See "Description of the Notes — Asset Allocation and Asset Allocation Calculation".
Monthly Coupons:	Subject to the occurrence of an Extraordinary Event (which may include a Market Disruption Event which continues in effect for eight or more

consecutive Business Days) or a Protection Event, Monthly Coupons per Note will be payable in Canadian dollars in an amount, if any, equal to the aggregate Distributions (on a per Note basis) paid on the Units in the Fund Account as of the relevant record date(s) in the relevant month. Upon payment of any Monthly Coupon on the Notes, the aggregate amount of such payment will be deducted from the Distribution Account. The Distribution Account will, from time to time, hold the aggregate amount of the Distributions credited thereto from but excluding the Monthly Coupon Payment Determination Date for the immediately preceeding Monthly Coupon Payment Date (or the Issue Date where the first Monthly Coupon has not yet become payable). Program Fees and Loan interest will not be deducted from the Distribution Account. There can be no assurance that any Distribution will be paid on the Units during the term of the Notes and, accordingly, there can be no assurance that any Monthly Coupons will be paid on the Notes. See "Description of the Notes — Monthly Coupons" and "Risk Factors."

The following chart sets out indicative distribution rates on the Notes in different scenarios that vary depending on the performance of the Fund Account, assuming an annual Distribution rate on the Units of 5.93%, a Floor of $70.00 per Note and that 75% of Distributions are allocated to the Distribution Account. **This chart is for illustrative purposes only and there can be no assurance that the indicative rates of distribution set out in the chart will be achieved or that any Monthly Coupons will be paid on the Notes at all during the term of the Notes. See "Risk Factors".**

Note NAV	Change in Note NAV	Floor Price*	Loan Amount	Fund Account Value	Bond Account Value	Note Distribution
$114.82	20.86%	$70.00	$105.00	$219.82	—	$8.90
$104.51	10.01%	$70.00	$98.54	$203.05	—	$8.61
$96.60	1.68%	$70.00	$59.81	$156.41	—	$6.89
$95.00	**0.00%**	**$70.00**	**$30.00**	**$125.00**	**—**	**$5.56**
$84.93	−10.60%	$70.00	$2.89	$87.82	$0.00	$4.35
$80.88	−14.86%	$70.00	—	$64.00	$16.88	$3.52
$78.31	−17.57%	$70.00	—	$48.89	$29.42	$2.78
$76.06	−19.94%	$70.00	—	$35.64	$40.42	$2.08
$74.42	−21.66%	$70.00	—	$25.99	$48.43	$1.55
$73.22	−22.93%	$70.00	—	$18.95	$54.28	$1.15
$72.34	−23.85%	$70.00	—	$13.76	$58.58	$0.85
$71.70	−24.53%	$70.00	—	$10.00	$61.70	$0.62
$71.50	−24.74%	$70.00	—	$0.00	$71.50	$0.00

*** Constant Floor Price $70.00**
**** Based on 75% of Indicative Fund Distribution of 5.93% as of July 31, 2007**

Asset Allocation Calculation: The Asset Allocation Calculation will dictate the allocation of the Portfolio, from time to time, between Units and Bonds and will dictate the amount, if any, of the outstanding Loan. The Calculation Agent will be responsible for applying the Asset Allocation Calculation, including facilitating any transactions in Units or Bonds and any drawdown or repayment of the Loan. The Asset Allocation Calculation is based on the following concepts:

- "Distance" = $\frac{\text{NAV} - \text{Floor}}{\text{FAV}}$

- "NAV" means, at any time the total of: (i) the Fund Account Value and the value of the Bond Account; plus (ii) any cash in the Distribution Account at that time; minus (iii) the principal amount of the Loan outstanding at that time; minus (iv) interest on the Loan accrued and unpaid at that time; minus (v) the Program Fees (as defined herein) accrued and unpaid at that time; divided by (vi) the number of Notes outstanding.
- "Floor" means, at any time, the estimated offer price at that time for a 0.50% coupon Bond with a $100 face amount and a maturity date of October 29, 2015, determined by the Calculation Agent.
- "Fund Account Value" or "FAV" means, at any time, the aggregate of: (i) the amount that could be realized at that time by notionally selling all Units in the Fund Account at then prevailing net asset value per Unit; and (ii) any cash in the Fund Account at that time, expressed as an amount per Note.

An Allocation Event (as defined below) will occur if, at any time on a Business Day: (i) the Distance falls below 13% (a "De-Leveraging Event"); (ii) the Distance rises above 21% (a "Leveraging Event"); or (iii) the NAV falls to $1.50 or less per Note above the Floor (a "Protection Event").

Upon the occurrence of certain events that may be triggered by changes in the Distance which, in turn, is triggered by changes in the NAV, the Floor and/or the FAV (each, an "Allocation Event"), the Portfolio will be notionally re-balanced by re-allocating the assets of the Portfolio between Units and Bonds and drawing down or repaying the Loan. The Calculation Agent will be required to monitor the Distance on each Business Day. Allocation Events that would otherwise have occurred on a particular date may be delayed in the circumstances described under "Description of the Notes — Special Circumstances — Market Disruption Event".

Within 8 Business Days of the Issue Date, Units will be purchased using the Net Proceeds of $95.00 per Note and $30.00 per Note of Loan drawdown. Thereafter, and subject to the occurrence of events described under "Description of the Notes — Special Circumstances," the Portfolio will be rebalanced based on certain events as determined by the Distance.

Upon the occurrence of a Leveraging Event, any Bonds in the Bond Account will be sold and, thereafter the amount of Loan will be drawn down (to a maximum of $105.00 per Note) and any proceeds thereof applied to purchase more Units for the Fund Account at the then prevailing net asset value per Unit.

Upon the occurrence of a De-Leveraging Event, Units in the Fund Account will be redeemed at the then prevailing net asset value per Unit. The proceeds thereof will be applied to first reduce any Loan outstanding and pay accrued and unpaid interest, and second, to purchase Bonds for the Bond Account, if any proceeds remain.

In either case, purchases and sales are made to return the Distance to approximately 17%.

Upon the occurrence of a Protection Event, all Units in the Fund Account will be redeemed at the then prevailing net asset value per Unit and the proceeds thereof applied first to repay any Loan outstanding, to pay any accrued and unpaid Loan interest and any accrued and unpaid Program Fees, and second, to purchase Bonds. In addition, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. Following the occurrence of a Protection Event, no further Units will be purchased for the Fund Account (regardless of the subsequent occurrence of any Leveraging Event) with the result that, thereafter until the Maturity Date, the Portfolio will consist only of Bonds, regardless of the subsequent performance of the Units. If a Protection Event occurs, the possibility of the Investor receiving more than the Principal Amount of $100 per Note on 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 — Asset Allocation and the Asset Allocation Calculation".

Market Disruption Event: If a Market Disruption Event (as defined herein) occurs, the Calculation Agent may delay application of the Asset Allocation Calculation and, accordingly, the determination of whether a Leveraging Event, De-Leveraging Event or a Protection Event has occurred. If a Market Disruption Event continues for a period of 8 consecutive Business Days then, notwithstanding the continuation of the Market Disruption Event thereafter, the Calculation Agent may, in its discretion, elect to determine whether a Leveraging Event, De-Leveraging Event or a Protection Event has occurred substituting its own discretion with respect to market values of the affected Units following consultation with the Fund Manager and may, in its sole discretion make all necessary determinations and adjustments to the Portfolio without any liability on the part of the Calculation Agent. Alternatively, in such event, the Bank may elect to designate such event as an Extraordinary Event, with the consequences described under "Description of the Notes — Special Circumstances — Extraordinary Event." The occurrence of a Market Disruption Event may delay determination and payment of the 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 determine that the Portfolio will not include any Units and will only consist of the Bond Account. If so, no Variable Return may be paid, even though the Units which have been redeemed may earn a positive return following the occurrence of the Extraordinary Event. In addition, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. If an Extraordinary Event occurs, Investors will receive the Principal Amount per Note no earlier than the Maturity Date. The liquidated proceeds of the Fund Account less payment of the Loan, if any, up to the occurrence of the Extraordinary Event will be invested in the Bond Account. 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".

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 Calculation:	The Variable Return, if any, on a Note is linked to the performance of the Portfolio. The Variable Return, if any, per Note will be payable only on the Maturity Date, subject to deferral in the circumstances described herein. The Variable Return will be the amount, if any, by which the NAV_{FINAL} (as defined herein) exceeds the Principal Amount. The Variable Return is calculated as follows: **Variable Return = Principal Amount × Portfolio Performance** Where: • Portfolio Performance = $\frac{NAV_{FINAL} - 100}{100}$ • "NAV_{FINAL}" means, at any time (expressed pro rata per Note), an amount equal to: (i) the proceeds from the liquidation of the Fund Account; plus (ii) the maturity value of the Bond Account as calculated by the Calculation Agent; minus (iii) repayment of the Loan and any accrued and unpaid Loan interest and Program Fees. Portfolio Performance will be expressed as a percentage rounded to two decimal places. No Variable Return will be paid unless the NAV_{FINAL} exceeds \$100. **For any Variable Return to be paid to Investors, the performance of the Portfolio must exceed the Program Fee and Loan interest payable. See "Risk Factors".**
Secondary Market:	**The Notes will not be listed on any stock exchange.** 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 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 FundSERV 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 three 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 FundSERV will be subject to certain additional procedures and limitations established by FundSERV**. 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 three years from the closing of this Offering, the proceeds from the sale of the Note will be reduced by the Early Trading Charge. The Early Trading Charge is 6.95% of the Principal Amount of any Note sold in the first year following the Issue Date 4.65% of the Principal Amount of any Note sold in the second year following the Issue Date 2.50% of the Principal Amount of any Note sold in the third year following the Issue Date. After the end of the third year following the Issue Date, the Early Trading Charge will cease to apply. See "Description of the Notes — Early Trading Charge".
Rank:	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**. See "Description of the Notes — Rank; No Deposit Insurance".
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. and Aa1 by Moody's Investors Service, Inc. 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**. See "Description of the Notes — Credit Rating".
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. See "Use of Proceeds".
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". An Initial Investor will generally be required to include in income the amount of any Monthly Coupon in the taxation year of the Initial Investor when any such Monthly Coupon is paid. Except in the case of an Extraordinary Event or a Protection 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 (but see above regarding inclusion of Monthly Coupons). Where the Variable Return is determined because of an Extraordinary Event or a Protection Event, the Variable Return will generally be required to be accrued by the Initial Investor in accordance with the "prescribed debt obligation" rules of the Act and the 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 at maturity) 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".
Eligibility for Investment:	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 or 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).
Fees and Expenses:	**The following fees and expenses will be paid prior to Variable Return, if any, at the Maturity Date of the Notes:** **Program Fee** The Notes will be subject to an annual program fee (the "Program Fee"). The Program Fee will vary depending upon the allocation in the Portfolio between the notional Units and the Bonds. The Program Fee will be 2.55% for the portion of the Portfolio allocated to the Fund Account (including any Units notionally acquired with the Loan in the case of a Leveraging Event and on reinvestment) and 0.50% for the portion of the Portfolio allocated to the Bond Account. The Program Fee will be accrued daily and paid monthly in arrears to Scotia Capital, as Calculation Agent of the Notes. The 0.50% Program Fee on the portion of the Portfolio allocated to the Bonds is produced by the coupon on the Bonds. The 2.55% Program Fee on the portion of the Portfolio allocated to the Fund Account is generated by redeeming Units notionally held in the Fund Account. The Calculation Agent will pay a fee to the Fund Manager out of the portion of the Program Fee allocated to the Fund Account. The Bank will pay selling agents who sell Notes an annual fee, paid quarterly, of 0.40% of the average daily value of the Fund Account during the term of the Notes. This fee will be paid out of the Program Fee. **Program Fees and Loan interest associated with the Notes will be deducted from the Fund Account periodically during the term of the Notes and prior to determining the amount of Variable Return, if any, payable at maturity.** The Bank will also pay a selling fee to qualified selling group members of $5.00 per Note sold. **Leverage** For providing leverage to the Portfolio, 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% (5.16% as of August 21, 2007), accrued daily and paid monthly. This interest will be paid out of the Fund Account during the term of the Notes and prior to determining the amount of Variable Return, if any, payable at maturity.
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 depositary except through an agent who is a Participant of the depositary. See "Description of the Notes — Form of the Notes".

Risk Factors: The Notes have been designed to provide Investors with exposure to the capital appreciation and Distributions, if any, of the Units. 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 Units.

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 or Bonds. 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. If no Distributions are paid on Units notionally held in the Fund Account during the term of the Notes, no Monthly Coupons will be paid 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"**.

DESCRIPTION OF THE NOTES

Issue Size

The Bank of Nova Scotia — CI Performer Deposit Notes (Yield), Series 2 will be issued by the Bank on the Issue Date. A maximum of $100,000,000 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

General

The Portfolio consists of three book-entry accounts referred to as the Fund Account, the Bond Account and the Distribution Account, and the Loan. The Portfolio is a notional portfolio of assets allocated in accordance with the Asset Allocation Calculation over the term of the Notes between the Fund Account and the Bond Account. Since the Portfolio is notional only, Investors will have no ownership or other interest in the Bonds, Units or other assets comprising the Portfolio, other than the right to be paid the Principal Amount and the Variable Return, if any, and Monthly Coupons, if any, on the Notes based on the performance of the Portfolio. **For the avoidance of doubt, all holdings in the Portfolio and all actions including, without limitation, all holdings, purchases, sales, and redemptions of Units and/or Bonds, receipts and reinvestment of Distributions and drawdowns and repayments of the Loan taken in connection with the Portfolio are notional holdings and 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 and each of the Fund Account, the Bond Account, the Distribution Account and the Loan are notional book-keeping entries only, at no time will the Portfolio actually hold or own Units or Bonds. Investors will not, by virtue of holding Notes, be entitled to the rights or benefits of a unitholder of the Fund.**

The Fund Account

The Fund Account will consist mainly of notional Units of the Fund and may be margined through the Loan. The Fund Account may also contain, from time to time, a nominal amount of cash. The cash in the Fund Account will earn interest at the overnight Bank of Canada rate. Distributions, if any, received on the Units in the Fund Account will be reinvested in the Fund Account at the then prevailing net asset value per Unit. Units in the Fund Account may be affected by the occurrence of an Allocation Event, a Market Disruption Event, an Extraordinary Event or a Protection Event.

The Bond Account

The Bond Account will consist of notional 0.50% coupon bonds of the Bank, which will be purchased and sold at yields equal to the prevailing Canadian dollar inter-bank swap rates as reasonably determined by the Calculation Agent, using the bid price for purchases and offer price for sales for a term equivalent to the remaining term of the Notes. The 0.50% coupon is to support the Program Fees associated with the Bond Account. On the Issue Date, it is anticipated that all assets comprising the Portfolio will be allocated to the Fund Account with no assets used to make a purchase in the Bond Account.

Following the Issue Date, the notional assets comprising the Portfolio will be allocated between the Fund Account and the Bond Account according to the Asset Allocation Calculation and cash accumulated in the Fund Account may be used for purchases of Units or Bonds. See "Description of the Notes — Asset Allocation and the Asset Allocation Calculation."

The Distribution Account

The Distribution Account will be credited with an amount equal to 75% of Distributions, if any, paid on Units in the Fund Account during the relevant monthly period as of the date of payment. Monthly Coupons, if any, will be paid on the Notes only if the Distribution Account has been credited with funds. Upon payment of any Monthly Coupon on the Notes, the aggregate amount of such payment will be deducted from the Distribution Account. Accordingly, the Distribution Account will, from time to time, hold an amount equal to 75% of Distributions paid on Units in the Fund Account from but excluding the Monthly Coupon Determination Date for the immediately preceeding Monthly Coupon Payment Date (or the Issue Date where the first Monthly Coupon has not yet become payable) to and including the current Monthly Coupon Determination Date. An amount equal to the remaining 25% of Distributions, if any, together with any Special Distributions, will be reinvested in the Fund Account at the then prevailing net asset value per Unit. Program Fees and Loan interest will not be deducted from the Distribution Account.

The Loan

At inception, the Loan will be drawn down $30 per Note. The amount of the notional Loan outstanding at any time will vary, and will be increased or decreased according to the value of the Fund Account, changes in the Bond Account, interest payments and other fees payable. Interest on the Loan will be calculated at a rate equal to the one-month Bankers' Acceptance Rate plus 0.25% per annum accrued daily and paid monthly at the then prevailing rate. If the Distance rises above 21%, the amount of outstanding Loan may be drawn down (up to a maximum of $105.00 per Note) providing up to 200% exposure to the Fund to allow for the acquisition of additional Units at the then prevailing net asset value per Unit. If the Distance falls below 13%, the amount of any outstanding Loan may be repaid and the proceeds used to purchase Bonds. See "Description of the Notes — Asset Allocation and the Asset Allocation Calculation".

Monthly Coupons

An amount equal to 75% of Distributions, if any, paid on Units reflected in the Fund Account as of the relevant record date(s) will be credited to the Distribution Account as of the date of payment of any such Distribution. The Distribution Account will fund the payment of the Monthly Coupons, if any, on the Notes. Monthly Coupons, if any, in respect of each Note will be payable in Canadian dollars within 10 Business Days of the end of the month in which a Distribution is paid in each calendar month during the term of the Notes (the date of such payment being a "Monthly Coupon Payment Date") commencing November, 2007 if, and only to the extent that, the Distribution Account contains funds at that time attributable to Distributions paid on any of the Units held in the Fund Account during the relevant month. The amount, if any, of any particular Monthly Coupon will be equal to the Distribution Account Value as of the close of business on the last Business Day of the calendar month immediately preceding the relevant Monthly Coupon Payment Date (a "Monthly Coupon Determination Date"). No Monthly Coupon will be payable or paid on any particular Monthly Coupon Payment Date unless Distributions were paid on the Units in the Fund Account or any of them during the period commencing on the day immediately following the Monthly Coupon Determination Date for the immediately preceeding Monthly Coupon Payment Date to and including the Monthly Coupon Determination Date for the Monthly Coupon Payment Date in question. There can be no assurance that any Distribution will be paid on the Units during the term of the Notes and, accordingly, there can be no assurance that any Monthly Coupons will be paid on the Notes.

The following chart sets out indicative distribution rates on the Notes in different scenarios that vary depending on the performance of the Fund Account, assuming an annual Distribution rate on the Units of 5.93%, a Floor of $70.00 per Note and that 75% of Distributions are allocated to the Distribution Account. **This chart is for illustrative purposes only and there can be no assurance that the indicative rates of distribution set**

out in the chart will be achieved or that any Monthly Coupons will be paid on the Notes at all during the term of the Notes. See "Risk Factors".

Note NAV	Change in Note NAV	Floor Price*	Loan Amount	Fund Account Value	Bond Account Value	Note Distribution
$114.82	20.86%	$70.00	$105.00	$219.82	—	$8.90
$104.51	10.01%	$70.00	$98.54	$203.05	—	$8.61
$96.60	1.68%	$70.00	$59.81	$156.41	—	$6.89
$95.00	**0.00%**	**$70.00**	**$30.00**	**$125.00**	**—**	**$5.56**
$84.93	−10.60%	$70.00	$2.89	$87.82	$0.00	$4.35
$80.88	−14.86%	$70.00	—	$64.00	$16.88	$3.52
$78.31	−17.57%	$70.00	—	$48.89	$29.42	$2.78
$76.06	−19.94%	$70.00	—	$35.64	$40.42	$2.08
$74.42	−21.66%	$70.00	—	$25.99	$48.43	$1.55
$73.22	−22.93%	$70.00	—	$18.95	$54.28	$1.15
$72.34	−23.85%	$70.00	—	$13.76	$58.58	$0.85
$71.70	−24.53%	$70.00	—	$10.00	$61.70	$0.62
$71.50	−24.74%	$70.00	—	$0.00	$71.50	$0.00

*** Constant Floor Price $70.00**

**** Based on 75% of Indicative Fund Distribution of 5.93% as of July 31, 2007**

(1) A Protection Event occurs if the NAV decreases to $1.50 or less above the Floor per Note. If a Protection Event occurs, the Units in the Fund Account are redeemed at the then prevailing net asset value per Unit and the proceeds used to pay down the Loan and acquire Bonds for the Bond Account.

Asset Allocation and the Asset Allocation Calculation

General

Subject to the occurrence of a Market Disruption Event or an Extraordinary Event, the Calculation Agent will allocate assets of the Portfolio between the Fund Account and the Bond Account according to the Asset Allocation Calculation. The Asset Allocation Calculation has been designed to protect the Principal Amount of the Notes. For example, if a Protection Event occurs, all Units in the Fund Account will be redeemed at the then prevailing net asset value per Unit and the proceeds will be used to purchase Bonds such that the value of the Bond Account at the Maturity Date is at least equal to the Principal Amount per Note. The Asset Allocation Calculation has also been designed to allocate assets between the Bond Account and Fund Account such that the Distance, at any time, will be maintained between 21% and 13%. The occurrence of an Allocation Event on any Business Day triggers the application of the Asset Allocation Calculation.

The Calculation Agent will be required to monitor the Distance and, subject to any adjustments to calculations as a result of the occurrence of a Market Disruption Event, a Protection Event or an Extraordinary Event, will administer the allocation of the Portfolio in accordance with the Asset Allocation Calculation through a purchase or redemption of notional Units at the then prevailing net asset value per Unit, a purchase or sale of notional Bonds, and a drawdown or repayment of the Loan.

Within 8 Business Days of the Issue Date it is anticipated that the full amount of the Net Proceeds from the issuance of the Notes of $95.00 per Note, which is the Principal Amount less the Selling Agent's fees, plus an amount equal to $30.00 per Note of the Loan, will be allocated to the purchase of Units for the Fund Account at the then prevailing net asset value per Unit. It is anticipated that no Bonds will be purchased initially.

The Asset Allocation Calculation will dictate the allocation of the Portfolio, from time to time, between Units and Bonds and will dictate the amount, if any, of the outstanding Loan. The Calculation Agent will be responsible for applying the Asset Allocation Calculation, including facilitating any transactions in Units or

Bonds and any drawdown or repayment of the Loan. The Asset Allocation Calculation is based on the following concepts:

- "Distance" = $\frac{\text{NAV} - \text{Floor}}{\text{FAV}}$
- "NAV" means, at any time the total of: (i) the Fund Account Value and the value of the Bond Account; plus (ii) any cash in the Distribution Account at that time; minus (iii) the principal amount of the Loan outstanding at that time; minus (iv) interest on the Loan accrued and unpaid at that time; minus (v) the Program Fees (as defined herein) accrued and unpaid at that time; divided by (vi) the number of Notes outstanding.
- "Floor" means, at any time, the estimated offer price at that time for a 0.50% coupon Bond with a $100 face amount and a maturity date of October 29, 2015, determined by the Calculation Agent.
- "Fund Account Value" or "FAV" means, at any time, the aggregate of: (i) the amount that could be realized at that time by notionally selling all Units in the Fund Account at then prevailing net asset value per Unit; and (ii) any cash in the Fund Account at that time, expressed as an amount per Note.

Leveraging Events

If the Distance rises above 21%, a Leveraging Event occurs. This may occur for a number of reasons including, without limitation, an increase in the value of the Units or a decrease in the price of the Bonds beyond certain thresholds. Once a Leveraging Event occurs, the Calculation Agent, acting with reasonable promptness, will as necessary, sell any Bonds from the Bond Account (if there are any such Bonds) and thereafter, draw down the amount of the Loan (to a maximum of $105.00 per Note) providing up to 200% exposure to the Fund and apply the proceeds of such Loan and the proceeds from the sale of the Bonds to purchase additional Units at the then prevailing net asset value per Unit such that the Distance is approximately 17% after these actions. This will increase the assets in the Fund Account, decrease the assets in the Bond Account and increase the amount of the Loan outstanding.

De-Leveraging Events

A De-Leveraging Event occurs if the Distance falls below 13%. This may occur for a number of reasons including, without limitation, a decrease in the value of the Units or an increase of the price of the Bonds beyond certain thresholds. Once a De-Leveraging Event occurs, the Calculation Agent, acting with reasonable promptness, will redeem Units in accordance at the then prevailing net asset value per Unit and apply the proceeds, first to reduce any Loan outstanding and any accrued and unpaid interest thereon, and second, as to any proceeds remaining, to purchase Bonds such that the Distance is approximately 17% after such notional actions. This will increase the assets in the Bond Account, decrease the assets in the Fund Account and decrease the amount of the Loan outstanding.

Protection Events

If the NAV reaches or falls below $1.50 above the Floor per Note, a Protection Event occurs and all Units in the Fund Account will be redeemed at the then prevailing net asset value per Unit and the proceeds applied first to repay the outstanding Loan and accrued and unpaid interest and accrued and unpaid Program Fees, and second to the purchase of Bonds such that, on the Maturity Date, the value of the Bonds therein is expected to equal at least $100 per Note, with the Bank assuming the risk for any shortfall. In addition, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. Investors are, in all events, entitled to receive the Principal Amount in respect of each Note held at the Maturity Date. After a Protection Event occurs, the assets comprising the Portfolio will remain in the Bond Account until the Maturity Date regardless of the subsequent performance of the Units. In this case, the Variable Return per Note payable on the Maturity Date, if any, will be the amount by which the aggregate par value of the Bonds (pro-rated per Note) exceeds $100. If a Protection Event occurs, the possibility of receiving more than the Principal Amount of $100 per Note on the Maturity Date is significantly reduced. In this case, Investors may have only the Principal Amount of their Notes returned to them on the Maturity Date.

Illustrative Examples

General

The illustrative examples set out below demonstrate how the Asset Allocation Calculation is performed on the Notes under both positive and negative performance scenarios. **These examples are for illustrative purposes only and are not to be construed as a forecast or estimate of the anticipated performance of the Notes or the Units or the Fund Account. For simplicity in these examples, it is assumed that interest rates remain constant.** The hypothetical fluctuations in the value of the Units in the Fund Account are used for illustration purposes only. Accordingly, the hypothetical performance of the Units are not estimates or forecasts of future values of the Units for the periods set out below. The following examples assume the Investor has purchased a single Note.

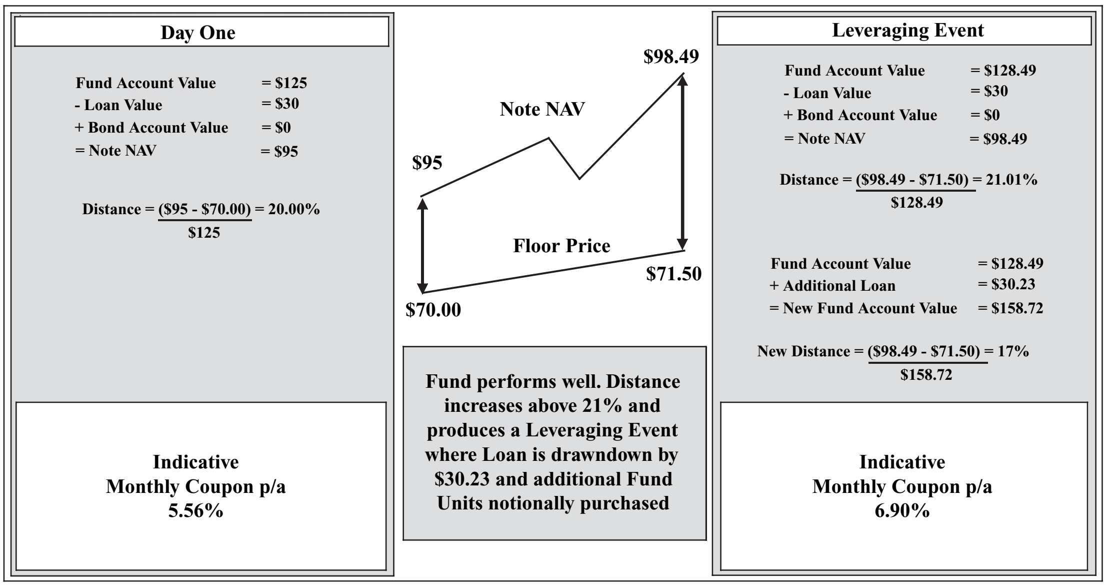
Investors should note that, although Variable Return is linked to the performance of the Portfolio, the amount, if any, of the Variable Return will depend upon the timing and extent of the increase and decrease in the net asset value of the Units over the term to the Maturity Date. Specifically:

- the performance of the Portfolio is dependant upon the Asset Allocation Calculation, which may be delayed due to the occurrence of a Market Disruption Event;
- Variable Return, if any, will only be payable if the NAV_{FINAL} exceeds the Principal Amount on the Maturity Date;
- upon the occurrence of a Leveraging Event, the Portfolio will be re-balanced by the purchase of additional Units at the then prevailing net asset value per Unit using proceeds from the Loan (up to a maximum amount of $105.00 per Note) providing up to 200% exposure to the Fund or the sale of any notional Bonds in the Bond Account;
- there is no theoretical maximum Variable Return payable on the Notes and the Asset Allocation Calculation using leverage and Distribution reinvestment creates the opportunity for enhanced returns on the Notes, except the 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;
- the Asset Allocation Calculation provides for the occurrence of a Leveraging Event if the Distance rises above 21% and a De-Leveraging Event if the Distance falls below 13%;
- upon the occurrence of a De-Leveraging Event, the Portfolio will be re-balanced with proceeds from the redemption of notional Units at the then prevailing net asset value per Unit by paying down a portion of the Loan or the purchase of Bonds;
- a Protection Event will occur if the NAV reaches or falls below $1.50 per Note above the Floor, in which case the Portfolio will be fully invested in Bonds until the Maturity Date and the Investor will not participate in any subsequent performance (positive or negative) of the Units, with the result that it is possible that no Variable Return may be paid on the Notes;
- it is very unlikely that investing in the Notes will offer the same return as a direct investment in the Units; and
- the Principal Amount of $100 per Note will be payable by the Bank on the Maturity Date regardless of the performance of the Units.

Positive Performance — Leveraging Event

The illustration below shows the occurrence of a Leveraging Event pursuant to the Asset Allocation Calculation. A Leveraging Event will occur if the Distance rises above 21% and a De-Leveraging Event will occur if the Distance falls below 13%. In this case, a Leveraging Event will require the purchase of additional notional Units on the basis described herein to re-balance the Portfolio such that the Distance is approximately 17% using proceeds of the Loan (up to a maximum amount of $105.00 per Note). Variable Return payable on the Maturity Date would be the amount by which the pro rata value of the Portfolio exceeds the Principal Amount of the Notes. In the example below, NAV of the Notes increases from $95 to $98.49 while the cost of the Floor increases from $70.00 to $71.50, resulting in the Distance increasing to 21.01%. This produces a Leveraging Event, where the Loan is drawn down by an additional $30.23 which is used to purchase additional Units in the Fund Account, increasing its value to $158.72, and returning the Distance to 17%.

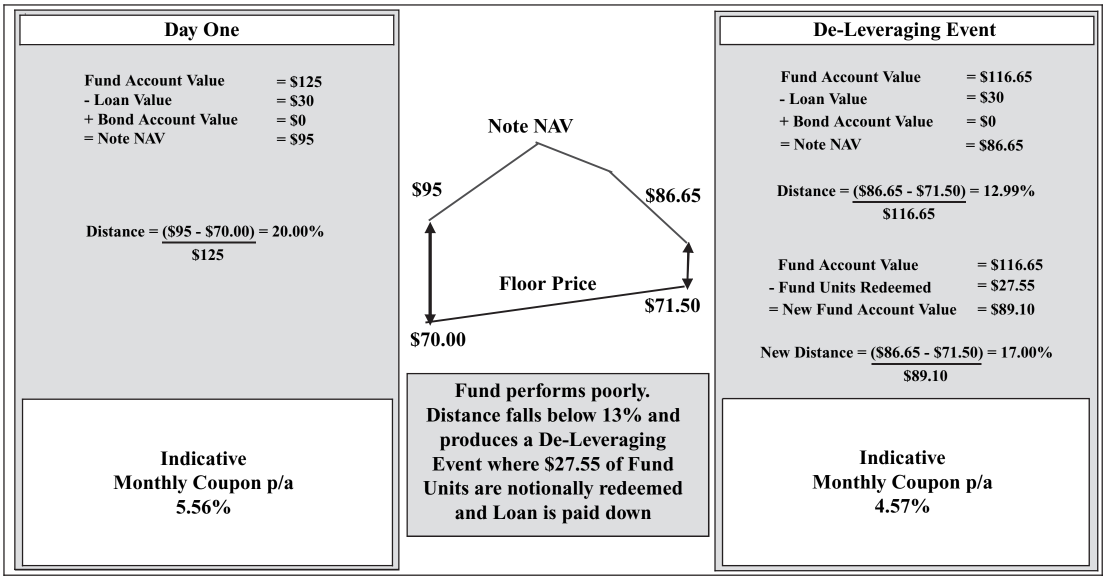
Leveraging Event



Negative Performance — De-Leveraging Event

The illustration below shows the occurrence of a De-Leveraging Event where the value of the Units has declined from the Issue Date. In this case, Units would be redeemed at the then prevailing net asset value per Unit and the Loan would be paid down, returning the Distance to approximately 17%. The NAV of the Notes decreases from $95.00 to $86.65 while the cost of the Floor increases from $70.00 to $71.50, resulting in the Distance decreasing to 12.99%. This produces a De-Leveraging Event, where $27.55 worth of Units are redeemed and the proceeds are used to pay down the Loan, returning the Distance to 17%. Once the Loan is paid down completely, any remaining proceeds are used to purchase Bonds in the Bond Account.

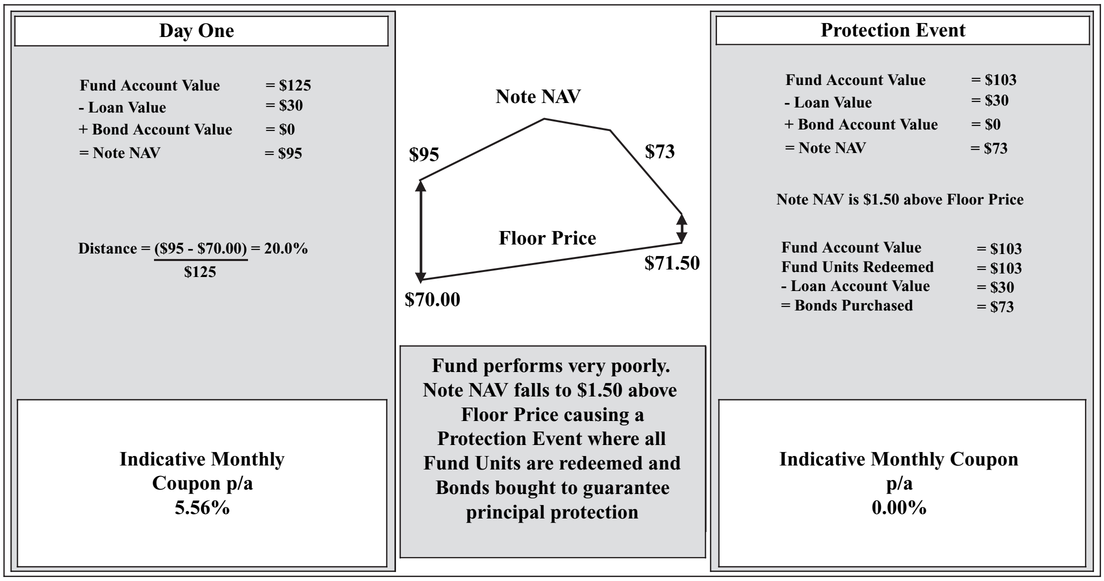
De-Leveraging Event



Protection Event

As the illustration below shows, a Protection Event would occur if the NAV reaches or falls below $1.50 per Note above the Floor, at which time the Portfolio would be entirely invested in Bonds. Following a Protection Event, the Portfolio will remain entirely in Bonds until the Maturity Date regardless of the subsequent performance of the Units. In this case, the Variable Return per Note payable on the Maturity Date, if any, will be the amount by which the aggregate par value of the Bonds (pro-rated per Note) exceeds $100. If a Protection Event occurs, the possibility of receiving more than the Principal Amount of $100 per Note on the Maturity Date is significantly reduced and the Investors will not receive any Monthly Coupons during the remainder of the term of the Notes. In this case, Investors may only have the Principal Amount of their Notes returned to them on the Maturity Date. In the example below, the NAV of the Notes decreases from $95.00 to $73.00 and the cost of the Floor increases from $70.00 to $71.50, resulting in the NAV decreasing to $1.50 above the Floor. This produces a Protection Event, where all Units reflected in the Fund Account are notionally redeemed, the Loan is paid down and the remaining proceeds are used to purchase Bonds in the Bond Account.

Protection Event



Variable Return

General

Subject to the occurrence of a Market Disruption 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 performance of the Portfolio, the assets of which will be allocated as described above under "Description of the Notes — Asset Allocation and the Asset Allocation Calculation". Allocations will be made in accordance with the Asset Allocation Calculation based on the value of the Units, the Bonds and Loan, interest rates and other factors.

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

Variable Return = Principal Amount ($100) × Portfolio Performance

Where:

- Portfolio Performance = $\dfrac{NAV_{FINAL} - 100}{100}$
- "NAV_{FINAL}" means, at any time (expressed pro rata per Note), an amount equal to: (i) the notional proceeds from the liquidation of the Fund Account; plus (ii) the maturity value of the Bond Account as calculated by the Calculation Agent; minus (iii) repayment of the Loan and any accrued and unpaid Loan interest and Program Fees.

Portfolio Performance will be the amount, if any, determined on the Maturity Date and expressed as a percentage of the Principal Amount, by which the pro rata value of the Portfolio per Note exceeds the Principal Amount, being $100. An Investor cannot elect to receive the Variable Return, if any, prior to the Maturity Date and the Notes cannot be redeemed or retracted prior to the Maturity Date.

There is a possibility that an Investor may not receive any Variable Return. No Variable Return will be paid unless the Portfolio Performance (which is net of Program Fees and Loan interest payable) per Note is greater than 0% (i.e. unless the pro rata value of the Portfolio at the Maturity Date is greater than $100 per Note). In addition, if a Protection Event, a Market Disruption Event or an Extraordinary Event occurs, the Variable

Return may be zero. Investors may only receive their Principal Amount on the Maturity Date. All applicable Program Fees will be paid by the 0.50% coupon on the notional Bonds until the Maturity Date.

In no event will payment of the Principal Amount or the Variable Return, if any, be made by the Bank earlier than the Maturity Date. The Fund Account 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 value per Unit. The Calculation Agent is expected to have fully liquidated the notional assets of the Portfolio by, and to calculate the NAV_{FINAL} 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".

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 Fund Account. 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 in respect of the Units has occurred or is continuing on any date, then the determination of whether any Allocation Event that would otherwise have occurred on such date will be postponed to the next Business Day on which there is no Market Disruption Event in effect, using then prevailing net asset value per Unit for the notional Units. Accordingly, the determination of whether a Leveraging Event, a De-Leveraging Event or a Protection Event has occurred will be postponed until such date and the Calculation Agent will not be required to take any action with respect to any notional sales, redemptions or purchases of Units or Bonds, any drawdowns or repayments of the Loan or any receipts or reinvestments of Distributions until such date, if at all, based upon the then prevailing net asset value per Unit.

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 per Unit as of such eighth Business Day using the Calculation Agent's good faith estimate, following consultation with the Fund Manager, without any liability on the part of the Calculation Agent, of such net asset value per Unit on such eighth Business Day and taking into account all market circumstances considered by the Calculation Agent to be relevant, acting reasonably. In such circumstances, the Calculation Agent may, in its discretion using the Asset Allocation Calculation, make any adjustments to the Portfolio to account for the occurrence of a Leveraging Event, De-Leveraging Event or Protection Event, based on such market values. 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 fifteenth Business Day before the Maturity 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 fifteenth Business Day before the Maturity 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, following consultation with the Fund Manager, determine the net asset value per Unit 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 per Unit.

Adjustments Due to Material Changes

If, during the term of the Notes, there is a Replacement Event in respect of the Units, then the Calculation Agent may, in its sole discretion, notionally sell the Units at the then prevailing net asset value per Unit and use the notional proceeds realized to notionally purchase securities of a substantially similar investment fund, determined in the sole discretion of the Calculation Agent (the "Replacement Fund"). If so, the relevant securities of the Replacement Fund shall replace the Units in the Portfolio as of the date of such selection. Upon any such replacement, the relevant securities of the Replacement Fund shall be deemed to be the Units for purposes of determining the Variable Return, if any, and the Calculation Agent shall, as soon as practicable after such Replacement Event, make adjustments to any one or more components of the Asset Allocation Calculation, or any other component or variable relevant to the determination of Variable Return. Adjustments will be made in such a way as the Calculation Agent, in its sole discretion, determines appropriate to account, in the calculation of Variable Return, for the performance of the Units up to the occurrence of such Replacement Event and the subsequent performance of the relevant securities of the Replacement Fund in replacement thereof thereafter. Upon any Replacement Event and the making of any such adjustment, the Calculation Agent shall promptly give notice and brief details to Investors. If the Calculation Agent determines, in its sole discretion, that no appropriate securities may be purchased after the liquidation from the Fund Account of the Units, the Calculation Agent may declare such event to be an Extraordinary Event. See "Description of the Notes — Special Circumstances — Extraordinary Event".

In circumstances where a Replacement Event occurs but there is no market for the Units (due, for example, to a suspension of redemptions or any other Market Disruption Event), the Calculation Agent may, in its sole discretion, depending on the nature of the reasons giving rise to the Replacement Event, elect to continue to hold the Units in the Fund Account or to liquidate the Units at then prevailing net asset values per Unit once the Units become liquid again and utilize the proceeds to acquire the relevant securities of the Replacement Fund at then prevailing net asset value per security. In circumstances where a Replacement Event occurs, but there is no market for the Units such that the Calculation Agent expects that the Units may not be liquidated from the Fund Account for the remainder of the term of the Notes, the Calculation Agent will make commercially reasonable estimates of the net asset value of the Units in order to effect the Asset Allocation Calculation, from time to time, and to calculate the Variable Return, if any.

Extraordinary Event

If an Extraordinary Event occurs, the Calculation Agent may determine that the Notes will no longer have exposure to the Units, the Loan will be repaid and the Portfolio may consist only of Bonds until the Maturity Date. Upon such determination by the Calculation Agent, the Loan will be repaid, and no further Variable Return will be earned on the Notes, even though the Units may earn a positive return following the occurrence of an Extraordinary Event. In addition, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. At the sole discretion of the Calculation Agent, if the circumstances giving rise to the Extraordinary Event no longer exist or are determined by the Calculation Agent to have been adequately resolved, the Calculation Agent may, but is not required to, reallocate the assets of the Portfolio according to the Asset Allocation Calculation. **If an Extraordinary Event occurs, the possibility of an Investor receiving any Variable Return at the Maturity Date may be significantly reduced.** Following the occurrence of an Extraordinary Event, an Investor would continue to be able to sell a Note in accordance with the terms of, and subject to the restrictions of, any secondary market then offered by the Selling Agent. See "Description of the Notes — Secondary Trading".

For the avoidance of doubt, if an Extraordinary Event occurs, neither payment of the Variable Return, if any, or payment of the Principal Amount per Note will be accelerated.

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 FundSERV 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 FundSERV.

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; (ii) the fact that assets in the Portfolio will be reallocated from time to time between the Fund Account and the Bond Account during the term of the Notes; and (iii) 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 notional assets in 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 Units 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 three years 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:

If Sold Within	Early Trading Charge
1 year	6.95%
2 years	4.65%
3 years	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 an Early Trading Charge is payable, 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 it 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 and Aa1 by Moody's. 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, and Monthly Coupons, if any, may be delayed in certain circumstances. See "Deferred Payment" and "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 or on any Monthly Coupon Payment Date, payment of a portion of such payment constituting a Variable Return or Monthly Coupon 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 depositary (initially being CDS) and registered in the name of such depositary 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 depositary, its nominee or any successors of such depositary or nominee.

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

Ownership of beneficial interests in a global Note will be limited to persons, called participants, that have accounts with the relevant depositary or persons that may hold interests through participants. Upon the issuance of a registered global Note, the depositary 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 depositary, 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 depositary (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 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.

Investors' Right of Rescission

A person may rescind any order to buy a Note (or its purchase if issued) within 48 hours of the earlier of actual receipt and deemed receipt of the Information Statement. Upon rescission, the person is entitled to a refund of the Principal Amount. This rescission right does not extend to Investors buying a Note in the secondary market. 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 days after the postmark date, if provided by mail, and (iv) when it is received, in any other case.

THE FUND

General

The Fund Account will consist of Units of the CI Global Dividend Advantage 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 amount of the Monthly Coupons or the Variable Return, if any, that may be payable on the Notes.**

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 CI Financial Income Fund, an independent, Canadian-owned wealth management firm with approximately $97.24 billion in fee-earning assets as of July 31, 2007. CI Financial Income Fund is a publicly traded income trust listed on the Toronto Stock Exchange under the ticker symbol CIX.UN.

Who is the Portfolio Advisor of the Fund?

CI Investments Inc. is the portfolio advisor of the Fund. Epoch, as the sub-advisor of the Fund, constructs notional baskets of securities on behalf of counterparties with whom the Fund enters into forward agreements. Epoch is based in New York and is led by President and Chief Investment Officer William Priest, who has more than 35 years of Wall Street experience. Prior to founding Epoch, Mr. Priest was Senior Partner and Portfolio Manager at Steinberg Priest & Sloane Capital Management, LLC. Before that, he was Chairman and CEO of Credit Suisse Asset Management Americas and CEO and Portfolio Manager of its predecessor firm BEA Associates, which he co-founded in 1972. During his tenure at BEA, Mr. Priest developed the firm into a well-recognized investment manager with over U.S. $25.0 billion under management. Epoch employs a value style, bottom-up approach to investing, focusing on companies that are benefiting from globalization and increasing world trade.

What does the Fund Invest in?

Investment objective

The Fund's objectives are to:

(i) provide investors with a stable stream of tax efficient monthly distributions, consisting mostly of capital gains and returns of capital, of $0.05 per unit ($0.60 per annum); and

(ii) endeavour to preserve and enhance the net asset value of the Fund.

In order to achieve its objectives, the Fund invests primarily in equity securities of Canadian issuers, also known as its Canadian equity portfolio, as well as in dividend-paying common and preferred shares, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world. The Fund also will enter into one or more derivatives to obtain exposure to one or more baskets of securities, also called equity baskets, consisting primarily of dividend-paying common and preferred shares, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world, together with the earnings thereon.

Any change to the investment objective must be approved by a majority of votes cast at a meeting of unitholders held for that reason.

Investment Strategies

General

The Fund will obtain exposure to notional equity baskets constructed by Epoch.

Equity securities represent part ownership of a company. A typical example is common shares. Common shares are equity securities representing part ownership in a company. Common shares usually come with rights such as the right to vote at shareholder meetings.

Equity related securities are securities that behave like equity securities. The include warrants and convertible securities. Convertible securities are debentures or preferred shares that the owner may exchange for shares of the company.

Income trusts are issuers, the securities of which are listed and posted for trading on a stock exchange, structured to own debt and/or equity of an underlying company or partnership, or a royalty in revenues generated by the assets thereof, which carries on an active business, including royalty trusts, income funds, real estate investment trusts, certain limited partnerships and other income vehicles including any entity that has publicly announced its intention to convert into one of the foregoing. A determination by the portfolio advisor of the Fund that an issuer of securities is a royalty trust, income fund, real estate investment trust, limited partnership or other income vehicle is conclusive for all purposes herein.

Fixed income securities are securities that generate interest or dividend income, such as debentures, commercial paper, treasury bills and other money market instruments and preferred shares.

Debentures are fixed income securities issued by a government or corporation usually backed only by the general credit of the issuer.

Commercial paper is short-term fixed income securities that generally mature in less than one year. They are generally issued by banks, corporations and other borrowers and are usually not backed by any assets.

Money market instruments are short-term fixed income securities that mature in less than a year. They include government treasury bills, commercial paper and bankers' acceptances.

Preferred shares are securities that usually entitle the owner to a fixed dividend ahead of a company's common shares and to a maximum stated dollar value per share if the company is dissolved.

When deciding whether to buy or sell an investment or enter into a forward agreement, the portfolio advisor considers whether the investment or underlying equity basket is a good value relative to its current price and how it is expected to perform. The portfolio advisor may use techniques such as fundamental analysis to assess growth and value potential. This means evaluating the financial condition and management of a company, its industry and the overall economy.

Forward agreements

A derivative is an investment that derives its value from another investment — called the underlying investment. In this case, the forward agreements will be the derivatives and the equity baskets will be the underlying investments. Derivatives usually take the form of a contract with another party (in this case, the counterparties) to buy or sell assets (in this case, to sell all or part of the Canadian equity portfolio) at a later time.

To obtain exposure to the equity baskets, the Fund will enter into one or more forward purchase and sale agreements, or forward agreements, in which the counterparties to the forward agreements will agree to pay to the Fund as the purchase price for the Canadian equity portfolio, or portions thereof, amounts determined by reference to the value of the equity baskets. The Fund comprised of securities for non-Canadian issuers. The Fund will partially settle the forward agreements from time to time in order to fund monthly distributions as well as redemptions of its units and payment of expenses of the Fund.

The Fund will use derivatives only in compliance with the securities regulations applicable to mutual funds. These requirements include that:

- the Fund will enter into a derivative only if the counterparty, or an affiliate that has fully and unconditionally guaranteed the obligations of the counterparty under the derivatives, has an approved credit rating for this purpose; and
- when the Fund uses derivatives for purposes other than hedging (such as forward agreements), it will hold enough of the Canadian equity portfolio to fully cover its position in the derivative.

Equity baskets

Each equity basket is a notional basket of securities and will be constructed by Epoch for purposes of forward agreements based on Epoch's evaluation of which combination of securities is most likely to generate a consistently high level of dividends and interest income. Epoch also may, from time to time, add, remove or replace securities within the equity baskets or change the weightings of individual securities within the equity baskets. Epoch will be retained by the counterparties to determine the equity baskets.

Securities lending

In order to generate additional income, the Fund may enter into securities lending transactions and repurchase transactions.

A securities lending transaction is where the Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where the Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns income for participating in the repurchase transaction.

The Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in repurchase transactions and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions.)

Excess cash

In addition to holding cash, the Fund also may invest excess cash in: (i) any Canadian or U.S. dollar denominated debt security considered investment grade, at the time of investment, by Standard & Poor's or another equivalent credit rating agency; and (ii) cash equivalent.

Distribution Policy

The Fund will endeavour to provide holders of its units with a stable stream of tax efficient monthly Distributions, consisting mostly of capital gains and returns of capital, of $0.05 per unit ($0.60 per annum) on or about the last business day of each month.

The Fund's Distributions are intended to benefit investors in its units as returns of capital are generally not subject to tax (returns of capital will reduce the adjusted cost base of units) and distributions that are designated as capital gains will generally be taxed at a lower rate than distributions of interest, foreign dividends and/or other investment income. Accordingly, Units are intended to be tax efficient when compared to mutual funds and other investment funds that depend solely on such other sources of income to pay Distributions to investors.

If, in any year after Distributions are made, there would otherwise remain in the Fund additional net income or net realized capital gains, the Fund intends to make, on or before December 31, of that year, a Special Distribution of such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under Part 1 of the Income Tax Act (Canada).

Top 10 Holdings

The following investments represent the top 10 holdings of CI Global High Dividend Advantage Fund as at July 31, 2007:

Top 10 Holdings as at July 31, 2007	
RWE AG	2.12%
Verizon Communications	2.08%
Keyspan Corporation	2.07%
AT&T Inc.	2.04%
Duke Energy	1.97%
Citizens Communications Co.	1.94%
AllianceBernstein Holding LP	1.93%
Windstream	1.93%
Reynolds American Inc.	1.82%
Southern Copper	1.74%
	19.64%

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 ration of these expenses to the net asset value of the Fund is called the management expense ration (or MER). The Fund's MER was 2.44% for the 2006 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 July 31, 2007

YTD	1 mth	3 mth	1 yr	Since Inception
−2.29%	−3.23%	−6.24%	11.53%	6.91%

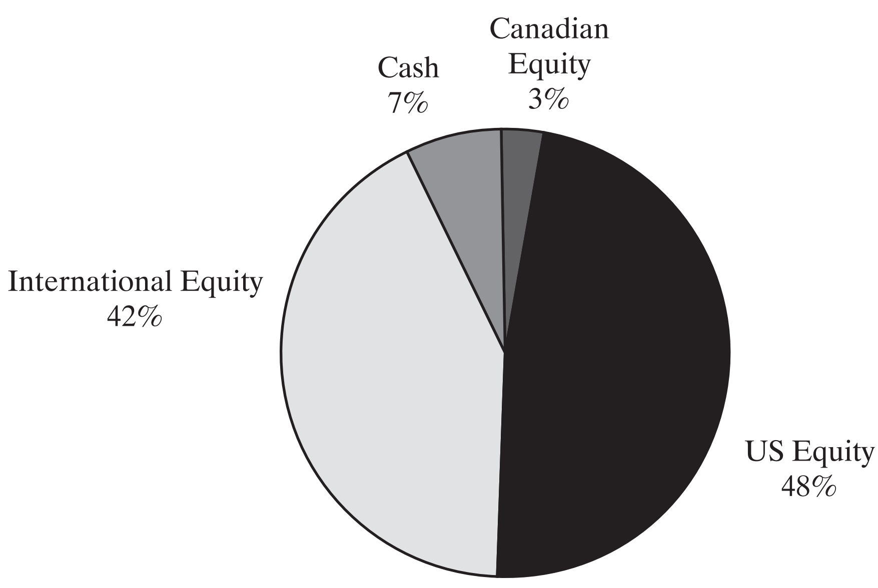
The chart below shows the total return of a $10,000 investment in the CI Global High Dividend Advantage Fund between February 2006 and August 2007. At the end of this period, the initial investment would have grown to $11,087.

Global High Dividend Advantage Fund
Current Value of $10,000 Investment

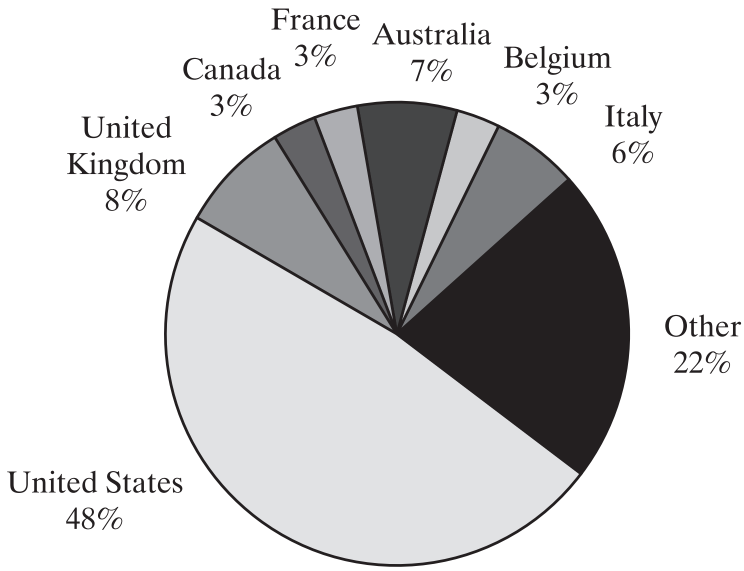
Source: Globefund.

The charts below show the composition of the Fund's investments by asset class, country and equity sector, respectively, in each case as at July 31, 2007.

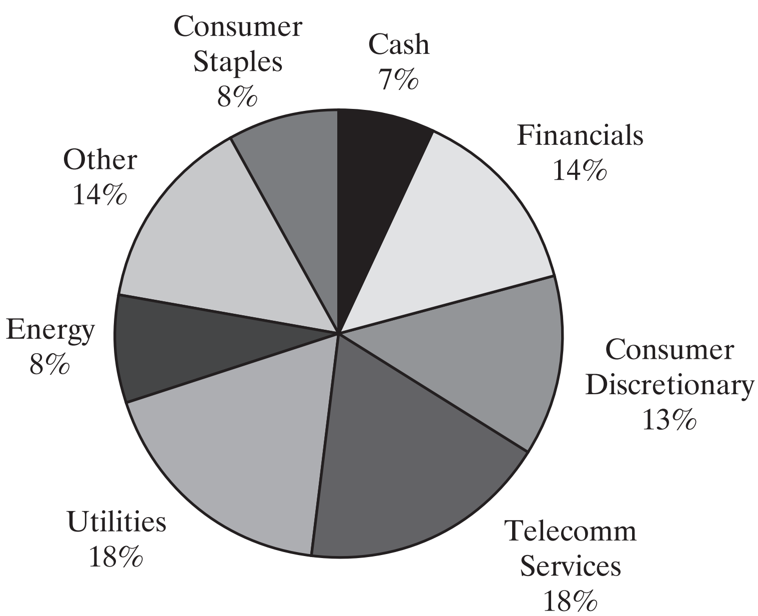
Asset Allocation as at July 31, 2007



Geographic Composition as at July 31, 2007



Equity Sectors as at July 31, 2007



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.

FUNDSERV

General

Some Investors may purchase Notes through dealers and other firms that facilitate purchase and related settlement through a clearing and settlement service operated by FundSERV Inc. ("FundSERV"). 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 FundSERV and to obtain further information on FundSERV procedures applicable to those Investors.

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

FundSERV 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. FundSERV 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, FundSERV is currently used in respect of other financial products that may be sold by financial planners, such as the Notes. FundSERV 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 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 FundSERV ("FundSERV 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 depositary and related matters with respect to the Global Note. Investors holding FundSERV 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 Notes. An Investor should understand that Scotia Capital Inc. will make such recordings as instructed through FundSERV by the Investor's financial advisor.

Purchase Through FundSERV

In order to complete the purchase of FundSERV 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 Notes. If FundSERV 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 FundSERV. 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 FundSERV

An Investor wishing to sell FundSERV 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 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 Notes by using the "redemption" procedures of FundSERV; any other sale or redemption is not possible. Accordingly, an Investor will not be able to negotiate a sales price for FundSERV 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 FundSERV. 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 FundSERV). 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 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 FundSERV 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 FundSERV would be utilized, the FundSERV 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 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 Notes may be suspended for any reason without notice, thus effectively preventing Investors from selling their FundSERV Notes. Potential Investors requiring liquidity should carefully consider this possibility before purchasing FundSERV Notes.

Scotia Capital Inc. is the "fund sponsor" for the FundSERV Notes within FundSERV. It is required to post a "net asset value" for the FundSERV 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 Notes should realize that such FundSERV 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 Notes pursuant to the procedures outlined above.

FEES AND EXPENSES ASSOCIATED WITH THE NOTES

Program Fee

The Notes will be subject to an annual Program Fee. The Program Fee will vary depending upon the relative allocation in the Portfolio between notional Units and the Bonds. The Program Fee will be 2.55% for the portion of the Portfolio allocated to the Fund Account (including any Units notionally acquired with the Loan in the case of a Leveraging Event or reinvestment) and 0.50% for the portion of the Portfolio allocated to the Bond Account. The Program Fee will be calculated daily and payable monthly in arrears to Scotia Capital, as Calculation Agent of the Notes. The 0.50% Program Fee on the portion of the Portfolio allocated to the Bonds is produced by the coupon on the Bonds. The 2.55% Program Fee on the portion of the Portfolio allocated to the Fund Account is generated by redeeming Units notionally held in the Fund Account at the then prevailing net asset value per Unit. The Calculation Agent will pay a fee to the Fund Manager out of the portion of the Program Fee allocated to the Fund Account.

The Bank will pay selling agents who sell Notes an annual fee, paid monthly, of 0.40% of the average daily value of the Fund Account during the term of the Notes. This fee will be paid out of the Program Fee. **Program Fees and Loan interest associated with the Notes will be deducted from the Fund Account periodically during the term of the Notes and prior to determining the amount of the Variable Return, if any, payable at maturity.**

The Bank will also pay a selling fee to qualified selling group members of $5.00 per Note sold.

Leverage

For providing leverage to the Portfolio, Scotia Capital will receive the interest payable on funds notionally borrowed under the Loan, calculated at the annual interest rate equal to the one-month Bankers' Acceptance Rate plus 0.25% (5.16% as of August 21, 2007), accrued daily and paid monthly. This interest will be paid out of the Fund Account during the term of the Notes and prior to determining the amount of the Variable Return, if any, payable at maturity.

USE OF PROCEEDS

The Net Proceeds will not be held by the Bank in trust for the Investors 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 in the nature of trade. The determination of whether the Notes are held as capital property for purposes of the Act should take into account, among other factors, whether the Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date. 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 described 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 thereunder 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.

Monthly Coupons

An Initial Investor will be required to include in computing his or her income for a taxation year the Monthly Coupons received or receivable in that year (depending upon the method regularly followed by the Initial Investor in computing income) to the extent that such amount was not otherwise included in computing the Initial Investor's income for that or a preceding taxation year. The Bank will file an information return with the CRA in respect of any such Monthly Coupon to be included in an Initial Investor's income and will provide the Initial Investor with a copy of such return.

On a disposition or deemed disposition of a Note, including a payment on maturity, an Initial Investor would generally also be required to include all or a portion of the Monthly Coupon in income as interest accrued on the Note to the date of disposition to the extent that such amount has not otherwise been included in the Initial Investor's income for that or a previous taxation year. For this purpose, the notional amount in the Distribution Account as at the date of disposition of the Note should be considered to be the amount of the Monthly Coupon accrued to such date. If a disposition of a Note is made by an Investor in any taxation year, the Investor can obtain from the Calculation Agent at any time after January 1 of the following year the Distribution Account Value at the date of such disposition by calling this toll-free number: 1 (866) 416-7891. Any amount included in the income of an Initial Investor as interest as described above would generally be deducted in computing the proceeds of disposition of the Note for the purposes of computing any capital gains or losses described below.

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 or Protection Event has occurred.

When in a particular taxation year, as a result of an Extraordinary Event or a Protection 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 (in addition to any amount in respect of any Monthly Coupons), 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, the appropriate 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 to the Bank of a Note 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 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.

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 at maturity), 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 or a Protection Event, there should be no amount in respect of the Variable Return that will be treated as accrued interest on an assignment or transfer of a Note prior to the Maturity Date (but see above regarding accrual of Monthly Coupons, if any, on disposition). 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 October 29, 2007. 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.

The Bank will pay selling expenses of $5.00 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 or 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 close to 57,000 employees, the Bank and its affiliates have branches and offices serving almost 12 million customers in some 50 countries, which provide a wide range of banking and financial services, either directly or through subsidiary and associated banks, trust companies and other financial institutions.

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 2006 Management's Discussion and Analysis found on page 42 of the Annual Report.

Domestic Banking

The Bank's Domestic Banking business line provides a full range of banking and investment services to retail and small business banking, commercial and wealth management customers across Canada. Retail Banking provides a full range of financial products and services to nearly 7 million customers through a multi-channel domestic delivery network that includes 972 branches; 2,742 automated banking machines ("ABMs"); telephone, wireless and internet banking; three call centres, 100 wealth management branches, four dealer finance centres; and six commercial and business banking centres. Retail and Small Business Banking supplies 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

The Bank's International Banking business line operates in more than 40 countries and includes operations in the following geographic regions: the Caribbean and Central America, Mexico, Latin America, and Asia.

International Banking includes the Bank's retail and commercial banking operations outside of Canada. Including the Bank's subsidiaries and affiliates, more than 27,100 employees worldwide provide a full range of services to over 4.7 million customers. In the Caribbean and Central America, the Bank operates in 25 countries with 372 branches and offices and a network of 844 ABMs and employs over 11,200 staff. In Mexico, Grupo Financiero Scotiabank Inverlat, S.A. de C.V. is the sixth-largest financial group in the Mexican banking system, serving more than 1.4 million customers through 494 branches and offices, and has a network of 1,122 ABMs, nearly 7,400 employees and a significant portion of the rapidly expanding mortgage and automotive financing markets. In Latin America, the Bank's holdings include Scotiabank Sud Americano, S.A. in Chile, Scotiabank Peru S.A.A. and an affiliate in Venezuela. In Chile, the Bank operates 53 branches and offices and provides personal, commercial and corporate banking services. The Bank expanded its operations in Peru in 2006, which resulted in 77.57% ownership of the third-largest bank in the country, with 140 branches and other operations. In the Asia Pacific region, the Bank operates in nine countries with 24 branches and offices. Current activities are focused on commercial banking and trade finance, along with some wholesale banking.

Scotia Capital

Scotia Capital provides full service wholesale banking to corporate, government and institutional clients across the NAFTA region as well as other selected niche markets globally. Scotia Capital has 18 offices and more than 300 relationship managers who are organized primarily around industry specialties. Scotia Capital is organized into two main businesses. Global Corporate and Investment Banking is organized geographically with four groups: Canadian Corporate and Investment Banking; United States Corporate; Europe Corporate; and Mexico Wholesale. In Canada, Scotia Capital provides wholesale banking services. In Mexico, Scotia Capital offers a full suite of wholesale products, as well as cash management, trade finance and correspondent banking to our Mexico-based clients. The United States and European units provide corporate lending products as well as select non-lending products. Global Capital Markets represents the Bank's trading businesses and operates in Canada, the United States, Mexico, Western Europe and Asia. Global Capital Markets specializes in fixed income, derivatives, foreign exchange, and equity sales, trading and research, and through ScotiaMocatta, precious metals.

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 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 Fund Manager 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 may 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 any return or a specific return on investment.

Investors should understand that the risk involved in this type of investment is greater than that normally associated with other types of investments. The capital appreciation, if any, of the Units may not be sufficient to generate any Variable Return on the Notes. The investments in which the Fund invests can be subject to sudden, unexpected and substantial price movements and various other risks. The trading of investments held by the Fund can lead to substantial losses as well as gains in the value of the Fund within a short period of time.

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 to the extent that Distributions are paid on the Units and the Fund Account performance exceeds all applicable Program Fees and Loan interest over the term of the Notes and certain events including Extraordinary Events and Protection Events do not occur. There can be no assurance that the Variable Return will be greater than zero, that Monthly Coupons will be paid 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 and Distributions on the Units should not be considered as an indication of the future performance of the Notes. No assurance can be given, and none is intended to be given, that Distributions will be paid on any of the Units or that the Units will appreciate in the period during which the Notes are outstanding and 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 investment objectives and there is no assurance that the Fund will be able to pay Distributions on the Units during the term of the Notes. In certain circumstances, the Fund may suspend the payment of Distributions. If so, Investors will not enjoy the benefits of Monthly Coupons or reinvestment in the Fund Account. It should be noted that past performance and distribution rates of the Fund is not necessarily indicative of future performance or Distribution rates.

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 concerning 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 on the skill and acumen of the Fund Manager who provides investment advice and administers the Fund, and on the management of the Fund Manager. The employees of the Fund Manager do not devote all of their time to the business of the Fund. If these individuals should cease to participate in the Fund's business and if satisfactory replacements cannot be found, the Fund's ability to select attractive investments and manage its portfolio could be severely impaired. There can be no assurance that: (a) the Fund's investment objectives will be realized; (b) the Fund's investment strategies will prove successful; (c) the Fund's Distribution policies can be maintained; or (d) the Fund can avoid losses. Past performance of the Fund is not indicative of future returns. There can be no assurance that the Fund Manager's management of the Fund will result in generating a positive return for the Fund (and hence, indirectly, the Notes).

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

Variable Return, if any, will be determined on the basis of the performance of the Units reflected in the Fund Account. Monthly Coupons, if any, will depend on Distributions being paid on the Units reflected in the Fund Account. The historical performance of the Fund is not necessarily indicative of the future performance of the Units nor are Distributions previously paid on the Units necessarily indicative of Distributions, if any, that may be paid on the Units in the future. The values of the securities contained in the Fund, and therefore the Units themselves, will be influenced by complex and interrelated political, economic, financial and other factors.

Valuation of the Fund

In valuing the Units, the Calculation Agent will be dependent on information reported by the Fund and the Fund's determination as to the fair value of its assets, which generally will be unaudited. Readily available market prices or quotations normally may not be available for all interests in the Fund, and the Bank will not have access to information about the Fund's portfolio holdings that could be used to verify the fair value of the Units as reported by the Fund. The Bank assumes no obligation to verify any information reported or determination made by the Fund and will not unwind or modify any Asset Allocation Event resulting from the application of the Asset Allocation Calculation effected in respect of the Notes during the term thereof in reliance on such information or determination in the event any information reported or determination made by the Fund proves to be incorrect in any way except to the extent that the correction of such information or determination triggers a further Leveraging Event, De-Leveraging Event or Protection Event which occurs during the term of the Notes.

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 Fund. Accordingly, certain risk factors applicable to holders 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. Such risk factors include credit risk (in the case of debt securities, factors that may result in non-payment of the obligation), currency risk (change in value of Canadian dollar compared to foreign currencies), derivatives risk (including counterparty risk), equity risk (in the case of equity investments, factors which may cause the price of the stock to rise or fall), foreign investment risk (financial, political and social factors that affect investments outside Canada and the United States), interest rate risk (factors which might cause interest rates to rise or fall, since the value of fixed income instruments varies inversely with interest rates), large transaction risk (where another mutual fund or other large investor invests some or all of its assets in the Fund, if such other investor receives large redemption requests it may, in turn, make large redemption requests to the Fund and the Fund may have to sell its investments at unfavourable prices to meet the redemption requests) and class risk (if the Fund cannot pay the expenses of one class using that class's proportionate share of Fund assets it may have to pay those expenses out of another class's proportionate share of the assets, which could lower the investment return of those other class). This is not a complete description of the risks applicable to the Fund. A complete description of the risks as they apply to the Fund is contained in the current simplified prospectus of the Fund, which may be obtained at www.sedar.com.

The Fund's Net Asset Value

The trading prices of the securities comprising the assets of the Fund from time to time will affect the net asset value of the Fund. Other activities of the Fund may impact on the value of the Units. For details regarding the calculation of the net asset value of the Units, see the disclosure filed by the Fund, which is available at www.sedar.com. Investors should recognize that it is impossible to know whether the value of the securities comprising the assets of the Fund at any time will rise or fall and whether the investment decisions of the Fund Manager will prove to be successful. Trading prices of the securities comprising the assets of the Fund may be influenced by complex and inter-related political, economic, financial and other factors that can affect the capital markets generally or the equity trading markets on which the securities comprising the assets of the Fund are trading. Investors should familiarize themselves with the basic features of the Units of the Fund, including the general method of calculating the net asset 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 FundSERV 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 value of the assets in the Portfolio have risen or fallen since the Issue Date; (ii) the fact that assets in the Portfolio will be reallocated from time to time between the Fund Account and the Bond Account during the term of the Notes; and (iii) 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 notional assets in the Portfolio. 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 Fund Account. 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 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 6.95% 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 also deal in the securities of issuers represented in the Fund and Units or other securities of the Fund and derivative securities related thereto. In addition, the Bank and its affiliates 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 represented in the Fund or any other person or entity having obligations relating to such entities and may engage in proprietary trading in the Units, other securities of the Fund or the securities of any issuer, from time to time, represented in the Fund or in options, futures or derivatives relating to such 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 to such business in the same manner as it would if the Notes did not exist, regardless of whether any such action might trigger an Allocation Event or have an adverse effect on the value of the Units and, thus, the Variable Return 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, from time to time, represented 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 such information (whether or not confidential).

The Bank and its affiliates may, at any time and from time to time, hedge its exposure under the Notes. It may do so in a number of ways including, without limitation, by engaging in proprietary trading in the Units, other securities of the Fund or the securities in which the Fund may, from time to time, invest or in options, futures, derivatives or other instruments relating to the Units or such securities and such trading may affect the value of the Units and, consequently, the Variable Return, if any, payable in connection with the Notes.

Reallocation of the Portfolio

If, pursuant to the Asset Allocation Calculation, assets are reallocated from the Fund Account to the Bond Account during the term of the Notes, such allocation will reduce the exposure of the Notes to the notional Units. The amounts to be allocated between the Fund Account and the Bond Account will be determined in accordance with the Asset Allocation Calculation.

Fees and Transaction Costs

In order for the payment at the Maturity Date to exceed the Principal Amount, the return on the notional assets in the Portfolio at the Maturity Date will have to exceed the aggregate fees and expenses paid in respect of the Notes during the term of the Notes.

Leverage

It is possible to have exposure of up to 200% of the Principal Amount to the Units. At inception, $30.00 of the Loan per Note will be drawn down and invested in the Fund Account. While such exposure exceeds 100% of the Net Proceeds, 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. Although the principal amount of funds notionally borrowed will be fixed, 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. Decreases in Portfolio Performance can lead to an increased allocation to the Bond Account under the Asset Allocation Calculation which will reduce the potential for the Notes to produce a Variable Return at maturity.

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 monthly. 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 limited the ability of the Fund Manager to carry on its business and may 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.

Protection Event

If a Protection Event occurs then, for the remaining term of the Notes, the Notes will no longer have any exposure to the notional Units. Following the occurrence of a Protection Event, any Variable Return on the Notes calculated as of the date of such occurrence will be notionally invested in the Bond Account and the proceeds will be paid to the Investor at the Maturity Date. Following the occurrence of a Protection Event, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. If a Protection Event occurs, the possibility of an Investor receiving any Variable Return is significantly reduced and an Investor will not receive any interest payments during the remainder of the term of the Notes.

Market Disruption Event

If a Market Disruption Event occurs on any day, the determination of whether a Leveraging Event, De-Leveraging Event or Protection Event has occurred, and any resulting notional sales, redemptions or purchases of Bonds or Units or notional drawdowns or repayments of the Loan or notional receipts and reinvestments of Distributions may be delayed. Fluctuations in the net asset value per Unit and in the market prices of a notional Bond may occur in the interim.

In the event that a Market Disruption Event occurs and continues for eight consecutive Business Days, the Calculation Agent may, in its discretion, determine the net asset value per Unit for purposes of the Asset Allocation Calculation 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 fifteenth Business Day before the Maturity 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 occurs, the Notes may no longer have exposure to the Fund Account and may have exposure only to the Bond Account. Following the occurrence of an Extraordinary Event, the Notes will not participate in any return that may have been realized on the notional Units following an Extraordinary Event. Following an Extraordinary Event, all cash in the Distribution Account will be paid to Investors on the next following Monthly Coupon Payment Date (or if a Monthly Coupon Payment Date does not occur prior to maturity, on the Maturity Date), following which no further Monthly Coupons will be paid for the remainder of the term of the Notes. If an Extraordinary Event occurs, the possibility of an Investor receiving any Variable Return may be significantly reduced. 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 NAV per Note based on the calculations of the Portfolio Performance and the Asset Allocation Calculation made by the Calculation Agent. No independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

No Control over Management

Since the Portfolio is notional only, Investors will have no ownership or other interest in the Units or Bonds 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 of the Fund Manager, in addition to general economic and market factors.

No Ownership of Units or Bonds

The Notes will not entitle an Investor to any direct or indirect ownership of or entitlement to Units, Bonds or assets 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 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, based on the Portfolio Performance, while assuring the ultimate return of the Principal Amount invested on the Maturity Date.

Unit Value

Investors should recognize that it is impossible to know whether the net asset value per Unit at any time will rise or fall. Trading prices of the securities underlying the Fund, and therefore the value of the Units, may be influenced by complex and inter-related political, economic, financial and other factors that can affect the capital markets generally or the trading markets on which such securities are trading.

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. 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 19, 2006;

(b) the Bank's consolidated financial statements as at and for the years ended October 31, 2006 and 2005 together with the auditors' report thereon, including management's discussion and analysis of financial conditions and results of operations as contained in the Bank's Annual Report for the year ended October 31, 2006;

(c) the Bank's Management Proxy Circular accompanying its notice of meeting dated January 15, 2007; and

(d) the Bank's consolidated financial statements as at and for the six month period ended April 30, 2007, including management's discussion and analysis of financial conditions and results of operations as contained in the Bank's 2007 Second Quarter Report to Shareholders.

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, 2006 and any business acquisition reports for acquisitions completed after October 31, 2006 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).

"Allocation Event" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Asset Allocation Calculation" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"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."

"Bond" or **"Bonds"** means notional 0.50% coupon bonds issued by the Bank maturing on the Maturity Date.

"Bond Account" means the book-entry account comprising part of the Portfolio that may notionally hold Bonds.

"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.

"CDS" means CDS Clearing and Depository Service Inc.

"CRA" means Canada Revenue Agency.

"DBRS" means Dominion Bond Rating Service Limited.

"De-Leveraging Event" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Distance" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Distribution" means all regular cash distributions, if any, paid by the Fund on Units.

"Distribution Account" means the book-entry account into which an amount equal to 75% of Distributions, if any, paid on Units in the Fund Account as of the relevant record date(s) will be credited as of the date of payment.

"Distribution Account Value" means, at any time, the balance of the Distributions credited to the Distribution Account divided by the number of Notes outstanding.

"Early Trading Charge" has the meaning ascribed thereto under "Description of the Notes — Early Trading Charge".

"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 normally scheduled closing time.

"Extraordinary Event" means any of the following events that occurs 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 or 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 redemptions 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 any 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.

"Floor" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Fund" means CI Global High Dividend Advantage Fund.

"Fund Account" means the book-entry account comprising part of the Portfolio that may notionally hold Units and cash.

"Fund Account Value" or **"FAV"** has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Fund Manager" means CI Investments Inc.

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

"Insolvency" means, in respect of the Fund, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Fund: (i) all of the assets of the Fund are required to be transferred to a trustee, liquidator or other similar official; or (ii) holders of the Units of the Fund become legally prohibited from redeeming them.

"Investor" means a holder of Notes.

"Issue Date" has the meaning ascribed thereto under "Summary — Issue Date".

"Issue Price" means $100 per Note.

"Leveraging Event" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"Loan" has the meaning ascribed thereto on the cover page.

"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 Manger, 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 relevant exchange, market or quotation system (an "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 averse 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 October 29, 2015.

"Merger Event" means, in respect of Units, any: (i) reclassification or change of the Units that results in a transfer of or an irrevocable commitment to transfer all of such Units outstanding to another entity or person; (ii) consolidation, amalgamation, merger or binding share exchange of the Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Fund is the continuing entity and which does not result in a reclassification or change of all of such Units outstanding); (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Units of the Fund that results in a transfer of or an irrevocable commitment to transfer all such Units (other than such Units owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Fund or its subsidiaries with or into another entity in which the Fund is the continuing entity and which does not result in a reclassification or change of all such Units outstanding but results in the outstanding Units (other than Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Units immediately following such event (commonly referred to as a "reverse merger").

"Monthly Coupon" means an interest payment, if any, on the Notes on a Monthly Coupon Payment Date equal to the Distribution Account Value, if any, as of the immediately preceding Monthly Coupon Determination Date.

"Monthly Coupon Determination Date" means the last Business Day of the calendar month immediately preceding a Monthly Coupon Payment Date, on which the Distribution Account Value, if any, will be calculated in order to determine the amount, if any, of a Monthly Coupon to be paid on such Monthly Coupon Payment Date.

"Monthly Coupon Payment Date" means the date, which shall be within 10 Business Days following the end of the month in which a Distribution is paid during the term of the Notes, on which a Monthly Coupon is paid on the Notes.

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

"Nationalization" means, in respect of the Fund, that all such Units or all or substantially all of the assets of the Fund are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

"NAV" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

"NAV_{FINAL}" has the meaning ascribed thereto under "Summary — Variable Return Calculation".

"Net Proceeds" means $95.00 per Note.

"Notes" means The Bank of Nova Scotia — CI Performer Deposit Notes (Yield), Series 2 offered by this Information Statement.

"Offering" means the offering of the Notes described in this Information Statement.

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

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

"Portfolio Performance" has the meaning ascribed thereto under "Summary — Variable Return Calculation".

"Principal Amount" means $100 per Note.

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

"Protection Event" has the meaning ascribed thereto under "Summary — Asset Allocation Calculation".

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

"Regulatory Event" means any change or prospective change in, or in the interpretation or administration of, any law or regulation that applies or may apply to the Fund that may potentially adversely affect holders of Notes.

"Replacement Event" means, in respect of a Unit, any event which, in the determination of the Calculation Agent, has adversely affected or may potentially adversely affect the liquidity of the Unit and may include, but is not limited to: (i) a Nationalization; (ii) an Insolvency; (iii) a Regulatory Event; or (iv) any Merger Event in respect of such Fund that is deemed by the Calculation Agent, in its sole discretion, to be a Replacement Event.

"Replacement Fund" means a security of an investment fund replacing a Unit in the Portfolio upon the occurrence of a Replacement Event.

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

"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".

"Special Distribution" means any distribution made by the Fund on Units, other than a Distribution.

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

"Units" mean the Class A units of the Fund.

"Variable Return" has the meaning ascribed thereto under "Summary — Variable Return Calculation".

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