

BANK OF NOVA SCOTIA /

Form FWP

December 10, 2013

Issuer Free Writing Prospectus Filed Pursuant to Rule 433

Dated December 10, 2013 Registration No. 333-185049

**Scotiabank Yieldstream<sup>TM</sup>Notes** are principal at risk notes designed for investors seeking an investment that makes periodic payments while having downside exposure to a broad based equity index. The product features are:

- Fixed periodic payment (paid monthly, quarterly, semi-annually, or annually)
- Term: 2-7 years
- Available underlings include: S&P 500, Russell 2000, TSX60, MSCI EAFE, Euro Stoxx
- 100% Principal at Risk
- 50

Issuer	The Bank of Nova Scotia (“Scotiabank”)
Index	The S&P 500 Index <sup>®</sup>
Tenor	2 years
Fixed Rate	4.00% per annum, paid on each applicable quarterly coupon date
Barrier Level	Not contingent on performance of the Index
Payment at Maturity	80% of the initial Index level
Level	<ul style="list-style-type: none"> <li>• If equal to or greater than Barrier Level                             <ul style="list-style-type: none"> <li>• Principal amount plus final periodic payment</li> <li>• Principal amount plus principal amount multiplied by the performance of the Index, plus final periodic payment</li> </ul> </li> <li>• If less than Barrier Level</li> </ul>
Currency	USD
Principal Protection	None – Full principal at risk

**You may be interested in this product if:**

- You are looking for an alternative to a direct equity investment with a regular stream of income payments
- You believe that the Index will neither decrease below the Barrier Level nor increase significantly
- You understand the inherent investment risks of this product

**You may not be interested in this product if:**

- You are looking for an investment that provides upside participation in the underlying index
- You are not seeking an investment that is subject to Scotiabank credit risk
- You are not comfortable with the risks inherent in an investment in this product



## How the Product Works

A payment will be paid on the Notes on each periodic payment date, without reference to the performance of the Index.

The amount that investors will be paid on their Notes at maturity will depend on the performance of the Index.

Equal to or greater than 80% of initial level (Barrier Level)	<ul style="list-style-type: none"> <li>• Principal amount, plus</li> <li>• Final periodic payment</li> </ul>
Less than the Barrier Level	<ul style="list-style-type: none"> <li>• Principal amount, plus principal amount multiplied by the performance of the Index, plus</li> <li>• Final periodic payment</li> </ul>

## Hypothetical Payment on the Notes

All examples assume that the investor purchased 2 year Notes with an aggregate principal amount of \$1,000, an initial level of 1,770.95, and a Barrier Level of 1,416.76 (80% of the initial level).

**Example 1:** On each quarterly payment date the investor receives a payment calculated as follows:

= (Principal Amount x Fixed Rate x Day Count Fraction)

= (\$1,000 x 4.00% x 90/360) = \$10.00 per quarter (for a total of \$40.00 per annum)

On the final valuation date, the closing level of the Index is 1,900.00, which is greater than the Barrier Level. As the final level is greater than the Barrier Level, on the maturity date the investor would receive a payment equal to the principal amount plus the periodic payment calculated as follows:

= Principal Amount + (Principal Amount x Fixed Rate x Day Count Fraction)

= \$1,000 + (\$1,000 x 4.00% x 90/360) = \$1,000 + \$10.00 = \$1,010.00

The total payment over the term of the Notes is \$1,080.00 per Note.

**Example 2:** On each quarterly payment date the investor receives a payment calculated as follows:

= (Principal Amount x Fixed Rate x Day Count Fraction)

= (\$1,000 x 4.00% x 90/360) = \$10.00 per quarter (for a total of \$40.00 per annum)

On the final valuation date, the closing level of the Index is 1,334.00, which is less than the Barrier Level. As the final level is less than the Barrier Level, on the maturity date the investor would receive a payment equal to the principal amount plus the product of the principal amount and the percentage change, calculated as follows:

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$$= \$1,000 + [\$1,000 \times [(\text{Final Level} - \text{Initial Level}) / \text{Initial Level}]] = \$1,000 + [\$1,000 \times [(1,334.00 - 1,770.95) / 1,770.95]] = \$753.27 \text{ per Note.}$$

The total payment over the term of the term of the Notes is \$833.27 per Note.

**Scotiabank: The Advantage of Global Strength and Stability**

Scotiabank is a leading multinational financial services provider and Canada's most international bank. We offer a broad range of products and services including personal, commercial, corporate and investment banking. Our financial solutions are based on an integrated global platform focused on superior industry expertise, strong product capabilities and considerable local experience and knowledge. Our dedicated industry specialists offer in-depth market intelligence, personalized service and a wide range of solutions, making Scotiabank the ideal financial services provider.

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**The Bank of Nova Scotia (the "Bank") has filed a registration statement (File No. 333-185049) (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this document relates. Before you invest, you should read those documents, and the other documents that the Bank has filed with the SEC for more complete information about the Bank and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Bank, any agent, or any dealer participating in these offerings will arrange to send you these documents if you so request by calling Scotia Capital (USA) Inc. toll-free at 1-800-372-3930.**

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