

FUND DESCRIPTION

This fund is designed as a mid-term US dollar denominated bond fund that invests primarily in US dollar denominated debt instruments issued by countries and corporations from the Caribbean region.

Investment objective: The objective of this Fund is to provide a regular stream of income and modest capital gains.

Inception date: March 29th, 2006.‡

FUND ADVISOR:

Scotia DBG Fund Managers is a subsidiary of Scotia DBG Investments Limited. Scotia DBG Investments Limited is a Jamaican based professional investment and portfolio management firm which actively manages private and corporate investment portfolios, unit trusts, pension funds and other segregated funds. Scotia DBG Investments Limited has over US\$ 468 million of clients' funds under management.

FUND QUICK FACTS:

Mgmt Fee: 1.60%

NAV: US\$ 3.4556

AUM: US\$ 30,335,880.55

Bench Mark: N/A

Fund Code: STL6

Number of Holdings: 30

DIVIDEND YIELD:

Distribution Yield last 12 months: 4.60%

SALES CHARGES

A front-end load may apply.

ASSET CLASS

Income.

INCOME DISTRIBUTION

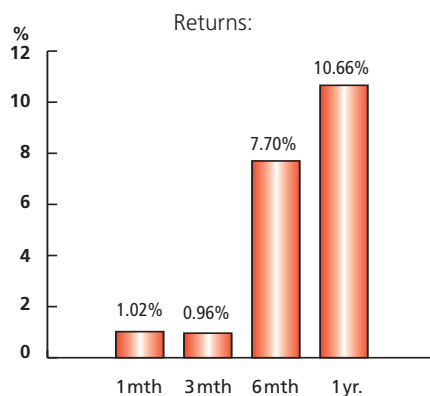
Quarterly.

MARKET COMMENTARY

During the quarter, the Fund recorded a return of 1.64%, while the calendar year-to-date return was 9.17%. In general, emerging markets experienced moderate levels of volatility driven largely by the Greek debt crisis. This resulted in the Investment Managers increasing its short term money market positions due to the uncertainty in the market. Looking ahead, there have been signs of recovery from the global recession and the Central American and Caribbean economies continue to demonstrate resilience bolstered by strong Foreign Direct Investments and financing from multilateral organizations. Jamaica completed the first International Monetary Fund (IMF) review and was lauded on the progress of structural reforms as well as achieving the key targets in its Stand-by-Agreement. This success provided the much needed support for the Government of Jamaica (GOJ) Global bond market which saw an increase in prices, as it grappled with political tensions. GOJ sovereigns accounted for approximately 31% of the Fund. As global markets continue in the recovery mode, the expectation is that the Latin American and Caribbean markets will reap benefits and create further growth for the Fund.

FUND PERFORMANCE

The Fund's return was 1.02% for the month.

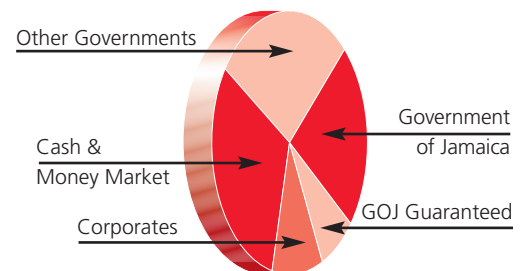


Since Inception: 18.18%‡

Net Asset Values and performance figures are net of all Fund expenses.

PORTFOLIO BREAKDOWN[^]

ASSET CLASS	Fund%
Government of Jamaica (GOJ)	23.06
GOJ Guaranteed	7.59
Corporates	10.57
Cash & Money Market	30.98
Other Governments	27.80
Total	100.00



5 LARGEST HOLDINGS:[^]

		Fund %
Govt of Jamaica	10 5/8%	10.36
PETROTRIN	9.75%	8.75
Air Jamaica	9 3/8%	7.59
SCOTIA DBG GOJ REPO		7.04
Govt of Jamaica	8%	6.79

Average weight to maturity (years):

1 - 3 years	31%	3 - 5 years	9%	5 - 10 years	43%	10 +	16%
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Important information about the Scotia DBG Caribbean Income Fund is contained in the Funds' prospectus. Copies are available from Scotia DBG Investments Limited and Scotiabank Trinidad & Tobago Limited and should be read carefully before investing. Share values and investment returns for the Funds will fluctuate. Past performance is not indicative of future performance. Investments in the Scotia DBG Caribbean Income Fund are not insured by Jamaica Deposit Insurance Corporation (JDIC) and are not guaranteed by The Bank of Nova Scotia or its affiliates.

‡ Performance data was determined to be from the date management and custodian fees started to be paid by The Fund - March 31, 2009, but The Fund has been in existence since March 29, 2006.

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^ As of June 30, 2010.