

FUND DESCRIPTION

This Fund invests in high-quality global securities, providing investors with an opportunity to achieve long-term capital growth. Investments may include equities, preferred stocks and derivatives.

Investment objective: The objective of this Fund is long term capital growth.

Inception date: August 31, 1994.

FUND ADVISOR:

AllianceBernstein brings together more than three decades of Alliance Capital Management's expertise in growth investing and Bernstein's excellence in value management. With over US \$740 billion in assets under management, AllianceBernstein's clients include private and public pension plans, foundations and endowments, insurance companies and governments in more than 45 countries. Over 265 analysts operating in 12 countries provide expert global market research.

FUND QUICK FACTS:

Mgmt Fee: 2.00%

NAV: US\$ 1.6606

AUM: US\$ 9,948,657.45

Bench Mark: MSCI World Index

Fund Code: SBF 103

Number of Holdings: 174

SALES CHARGES

A front-end load may apply.

ASSET CLASS

Growth.

PORTFOLIO BREAKDOWN[^]

SECTORS:	Fund %	Index/ Benchmark %
Financials	19.7	20.6
Cons. Discretionary	16.7	10.1
Energy	11.9	10.4
Industrials	10.1	10.2
Consumer Staples	8.8	12.2
Inform. Technology	8.5	11.1
Health Care	8.2	9.8
Telecom. Services	6.1	4.1
Materials	5.8	7.3
Utilities	4.3	4.3
Total	100.0	100.0

MARKET COMMENTARY

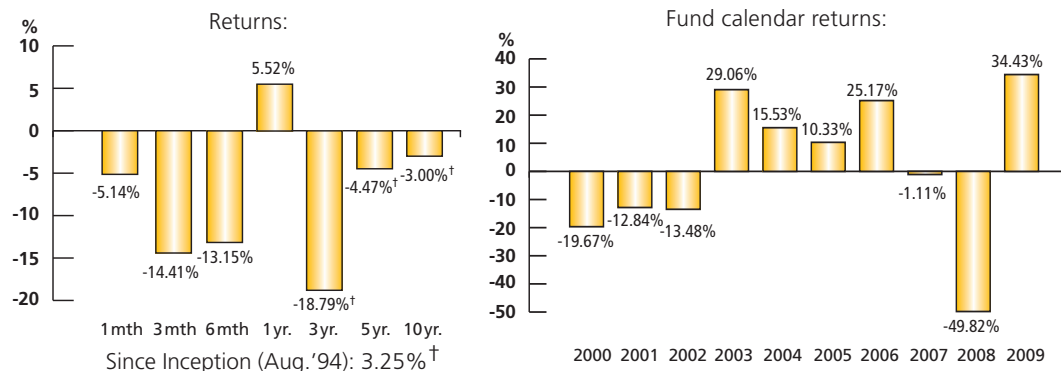
The Scotiabank Global Growth Fund returned -14.41% over the past 3 months and 5.52% over the past 12 months relative to a return of -13.26% and 8.02%, respectively, for its benchmark, the MSCI World Free Index.

The Fund lagged its benchmark primarily due to negative security selection. Key detractors from fund performance included securities from the Consumer Discretionary sector such as Nokia, Royal Caribbean Cruises and Esprit. Key contributors to fund performance included securities from the Consumer Staples sector, including Altria and Carlsberg. All sectors declined during the quarter. The Fund benefitted from an overweight position in the conservative Telecommunications sector.

Volatility returned to global financial markets in the 2nd quarter as investors grew increasingly concerned about unsustainable levels of government debt in Greece and other European countries. As volatility rose, stocks fell in both developed and emerging markets and bonds with a lower credit quality dropped in value. Economic growth in the US was nearly 3% in the first quarter due to increased exports but it is expected to slow in the upcoming months. First quarter GDP growth was 1.2% in Japan, 0.2% in Europe and 11.9% in China. Chinese economic growth has returned to pre-recessionary levels.

FUND PERFORMANCE

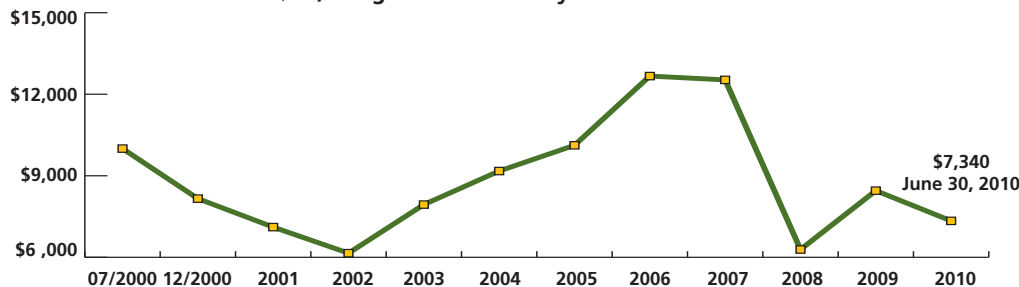
The Fund returned -5.14% for the month, compared to MSCI World Index, which returned -3.56%.



Since Inception (Aug.'94): 3.25%[†]

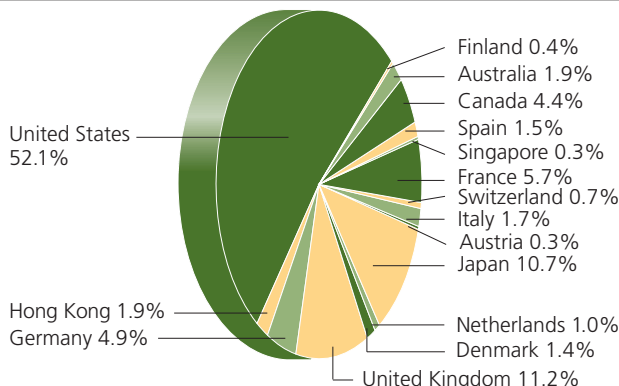
Net Asset Values and performance figures are net of all Fund expenses.

\$10,000 growth from July 2000 until June 2010



LARGEST HOLDINGS:

News Corp, Shell, Pfizer, Nissan, Vodafone



Important information about Scotiabank Mutual Funds is contained in the Funds' prospectus. Copies are available from Scotiabank and Scotiastore branches 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. Scotiabank Mutual Funds are not insured by, nor guaranteed by, The Bank of Nova Scotia.

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* Trademark of The Bank of Nova Scotia, used under licence. † Average annual compound rate of return. ^ As of May 31, 2010.

(07/10)