

Scotiabank Money Market Fund

February 28, 2010

FUND DESCRIPTION

This Fund is designed to provide safety of capital and liquidity. It invests in high-quality, short-term securities and obligations issued by governments, corporations, banks and trust companies. These securities are not subject to withholding taxes.

Investment objective: The objective of this Fund is to earn interest income and provide liquidity, with a high level of safety.

Inception date: November 19, 1999.

FUND ADVISOR:

Scotia Asset Management is manager for mutual fund trust, private client, fee based and institutional mandates with assets that exceed \$39 billion.

FUND QUICK FACTS:

Mgmt Fee: 0.60%

NAV: US\$ 13.0439

AUM: US\$ 218,644,474.09

Bench Mark: 3-month US Treasury Bills

Fund Code: SBF 101

Number of Holdings: 53

SALES CHARGES

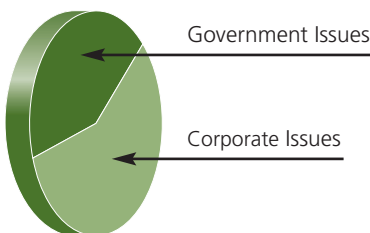
There are no sales charges applicable to this Fund.

ASSET CLASS

Cash and Cash Equivalents

PORTFOLIO BREAKDOWN[^]

ASSET CLASS	%
Government Issues	42.4
Corporate Issues	57.6
Cash	0.0
Total	100.0



MARKET COMMENTARY

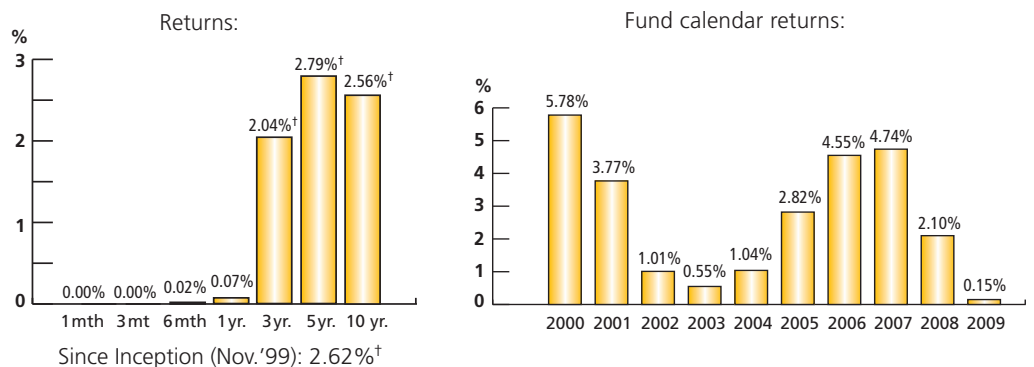
The Scotiabank Money Market fund returned 0.02% for the quarter. The Federal Reserve kept its key interest rate at the record low target range of 0 to 0.25%. The three month T-bill rate has been trading in a narrow range starting at 0.12% to end the quarter at 0.06%. The money market curve has become slightly steeper with the yield difference between one month and six month T-bills rising from 0.09% to 0.16% for the quarter.

Some economic data showed moderate signs of recovery: for the month of December, ISM manufacturing index and consumer confidence rose. In addition, the unemployment rate fell 0.2% to 10.0% in November and home sales were up 7.4% in November, the highest level since February 2007. These numbers were slightly offset by the lower final estimate on the third quarter GDP growth from 2.8% to 2.2%.

Due to the lack of supply of government guarantees and very low levels of yield, the Portfolio Manager has started to invest in more provincials. These offer better yield pick up and there is more issuance.

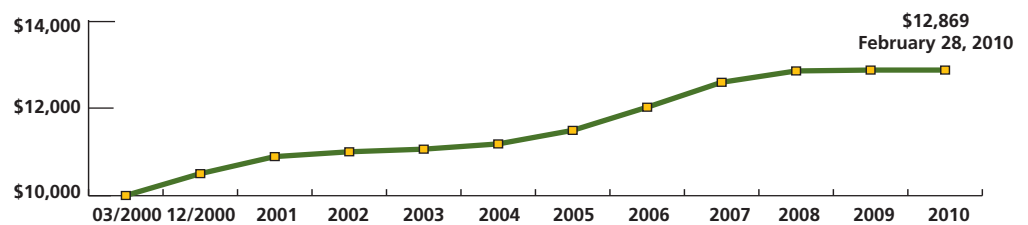
FUND PERFORMANCE

The fund's return was 0.00% for the month compared to the benchmark's, 3-month US Treasury Bills, yield of 0.00%.



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

\$10,000 growth from March 2000 until February 28, 2010



10 LARGEST HOLDINGS:

		Fund %
Quebec Govt	Mar 23/2010	5.8
Province of Ontario	Apr 27/2010	5.4
Province of Ontario 11/12 Flt	Nov 19/2012	5.2
Bank du Montreal	Mar 18/2010	4.9
Province of Ontario 05/12 Var	May 22/2012	4.7
Royal Bk of Canada BBA Libor USD 1 Month	Dec 09/2010	4.7
Bank of Nova Scotia	Apr 12/2010	4.5
Province of Ontario	Mar 17/2010	4.5
Pfizer Inc 03/11 FLTG	Mar 15/2011	4.4
Procter Gamble Intl FDG SCAA GTD NT FLTG Rate	Feb 08/2010	3.3

Average weight to maturity (days):

0 - 7 days	0%	8 - 30 days	0%	31 - 90 days	61%	91 +	39%
------------	----	-------------	----	--------------	-----	------	-----

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. * Standard and Poor's, S&P and S&P 500 are trademarks of The McGraw-Hill Companies and have been licensed for use by The Bank of Nova Scotia and its subsidiary companies.

* Trademark of The Bank of Nova Scotia, used under licence. † Average annual compound rate of return. ^ As of January 31, 2010. (03/10)