

Scotiabank Money Market Fund

June 30, 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\$ 13.0463

AUM: US\$ 211,919,619.25

Bench Mark: 3-month US Treasury Bills

Fund Code: SBF 101

Number of Holdings: 55

SALES CHARGES

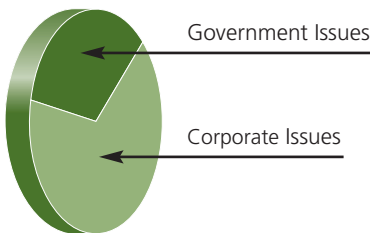
There are no sales charges applicable to this Fund.

ASSET CLASS

Cash and Cash Equivalents.

PORTFOLIO BREAKDOWN[^]

ASSET CLASS	%
Government Issues	34.3
Corporate Issues	65.7
Cash	0.0
Total	100.0



MARKET COMMENTARY

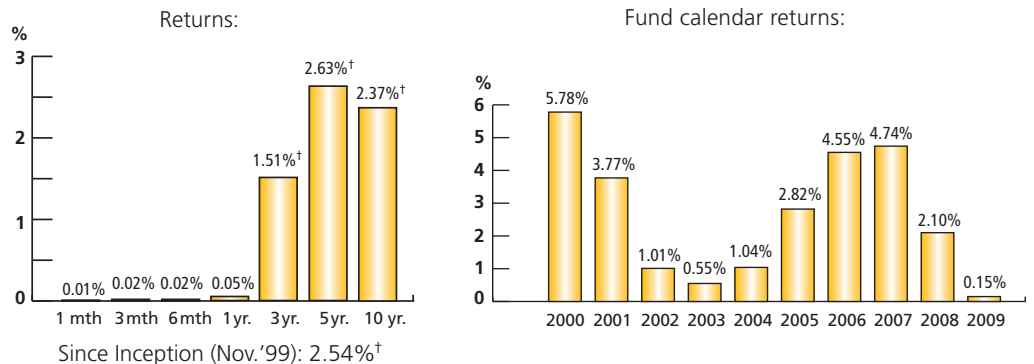
The Scotiabank Money Market Fund returned 0.02% for the 2nd quarter of 2010 relative to a return of 0.04% for its benchmark, the Merrill Lynch 0-3 Month US T-bill Index. The Fund's yield increased to 0.12% as at June 30, 2010.

The Fund increased its exposure to floating rate notes in the 2nd quarter. Floating rate notes offered a higher yield than comparable commercial paper and increased in value based on the forecast for higher interest rates later in 2010. The Fund also increased its holdings of banker acceptance notes and decreased its exposure to government guaranteed bonds to benefit from an increase in yields. The average term of the portfolio remained at about 50 days.

Most market participants expect the US Federal Reserve and the Bank of Canada to hold rates steady for most of this year and have them remaining at or near their current level. Both the US and Canadian Central Banks have maintained their low interest rate policies as Q1 economic growth was weaker than expected and inflation remained within its targeted range.

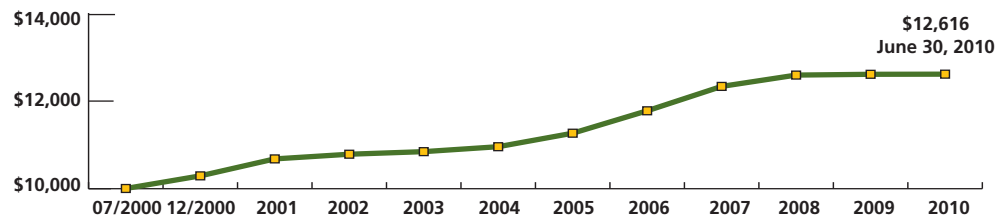
FUND PERFORMANCE

The fund's return was 0.01% for the month compared to the benchmark's, 3-month US Treasury Bills, yield of 0.01%.



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

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



10 LARGEST HOLDINGS:

		Fund %
Province of Ontario	Jul 27/2010	6.1
Province of Ontario 05/12 Var	May 22/2012	5.5
Prov. British Columbia	Jun 18/2010	5.4
Royal Bk of Canada BBA Libor USD 1 Month	Dec 09/2010	5.2
Pfizer Inc 03/11 FLTG	Mar 15/2011	5.1
Bank of Nova Scotia	Jul 12/2010	4.9
Citigroup FDG Inc Tranche SR 00001	Jul 30/2010	3.8
KFW Medium Term NTS Book Entry Tranche TR 00042	Mar 02/2011	3.7
National Bank du Canada	Jun 22/2010	3.7
Bank of Montreal 08/12 Var	Aug 14/2012	3.5

Average weight to maturity (days):

0 - 7 days	5%	8 - 30 days	21%	31 - 90 days	41%	91 +	32%
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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 May 31, 2010. (07/10)