

Scotia U.S. \$ Money Market Fund

Benchmark
USTREAS T-Bill Auction Ave 3 Mon

Fund Category
US Money Market

Morningstar Rating™
★★★

Investment Objective

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as World Bank. These securities are not considered foreign property under the Tax Act.

Reasons for Investing

- ▶ For investors who have U.S. dollar expenses, it offers a temporarily hold for U.S. cash reserves.
- ▶ Provides U.S. dollar income and liquidity using a diversified basket of high quality short-term securities.
- ▶ Offers short-term safety by investing in securities with an average term to maturity of between 30 and 90 days.

Risk Rating



Time Horizon Up to 2 years

Fund Essentials

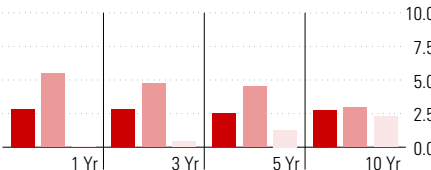
Inception Date	September 1996
Total Assets \$Mil	121.28
Min. Initial Inv.(\$)	2,000
Min. Additional Inv.(\$)	50
Income Distribution	Monthly
Capital Distribution	Annually
MER %	0.75
NAV \$ as of 10-31-2009	10.00

Class Options

Class	Load Structure	Currency	Fund Code
A	No Load	USD	BNS375

Management Company Scotia Asset Management
Telephone 800 268-9269
Web Site www.scotiafunds.com

Performance Analysis as of 10-31-2009



Best/Worst Periods (%)	1 Yr	3 Yr	5 Yr	10 Yr
Avg.	2.8	2.8	2.5	2.7
Best	5.5	4.7	4.5	2.9
Worst	0.1	0.4	1.3	2.3
No. of Periods	146	122	98	38
% Positive	100.0	100.0	100.0	100.0

Trailing Returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	0.00	0.01	0.03	0.24	1.22	2.22	2.46	2.29
Benchmark	0.01	0.03	0.08	0.18	1.12	2.42	3.02	2.97
Quartile	3	3	3	3	2	3	3	3

Calendar Year Returns (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Fund	4.14	5.43	3.35	0.75	0.14	0.34	2.24	3.95	4.18	1.71	0.09
Benchmark	4.87	6.32	3.67	1.68	1.05	1.43	3.34	5.06	4.77	1.51	0.15
Quartile	3	2	1	2	4	3	2	3	4	2	3

Distributions (\$/unit)											
Total	0.4066	0.5301	0.3302	0.0749	0.0137	0.0344	0.2221	0.3882	0.4103	0.1700	0.0090
Income	0.4066	0.5301	0.2983	0.0749	0.0137	0.0344	0.2221	0.3882	0.4103	0.1700	0.0090
Capital Gains	—	—	0.0319	—	—	—	—	—	—	—	—

Portfolio Analysis as of 09-30-2009

Composition	% Assets	Fixed Income Style	Credit Quality	%								
Cash	92.8	<table border="1"> <tr> <td>High</td> <td>41.6</td> </tr> <tr> <td>Med</td> <td>5.2</td> </tr> <tr> <td>Low</td> <td>0.0</td> </tr> <tr> <td>NR/NA</td> <td>53.2</td> </tr> </table>	High	41.6	Med	5.2	Low	0.0	NR/NA	53.2	High	41.6
High	41.6											
Med	5.2											
Low	0.0											
NR/NA	53.2											
Fixed Income	7.2		Medium	5.2								
Canadian Equity	0.0	Low	0.0									
US Equity	0.0	NR/NA	53.2									
International Equity	0.0											
Other	0.0											

Cash Breakdown	Cash (%)	Fixed Income Breakdown	% Bond
Corporate Cash	24.6	Government Bonds	7.2
Liquid Bonds	42.0	Corporate Bonds	0.0
Treasury Bills	33.3	Other Bonds	0.0
General Cash	0.1	Mortgage Backed Securities	0.0
		ST Investments (Cash & Other)	92.8
		Asset Backed Securities	0.0

Top Holdings	% Assets	Top Holdings Cont'd	% Assets
Canada Government T-Bill (US)	12.3	Ontario Province T/B (US)	2.2
Alberta T-Bill (US) 15-10-2009	8.3	Enbridge Inc. C/P (US)	1.9
ExExport Dev't C/P (US) 23-12-2009	6.4	Caterpillar Financial C/P (US) (ST)	1.8
DuPont (EI) de Nemours & Co. C/P (ST)	4.5	Royal Bank of Cda BDN (US)	1.7
Bank of Montreal BDN (US)	4.4	GE 0.58% (US) 20-01-2010	1.7
Ontario Prov 0.875%(US) 22-05-2012	4.0	TD Bk (US) 12-11-2009	1.6
Citigroup Fdg 0.59% (US) 30-07-2010	3.8	National Bk of Cda B/A (US)	1.6
BC Province P/N (US) 20-10-2009	3.6	CIBC B/A (US) 08-10-2009	1.5
Federal Home Loan Bk C/P (US)	3.2	Woodbridge Finance Corp C/P (US) (ST)	1.5
Ontario Province C/P (US)	2.8	Woodbridge Finance Corp C/P (US) (ST)	1.4
Toyota Motor Cr. (US) 16-10-2009	2.3	Total Number of Portfolio Holdings	51
Procter & Gamble 0.71438% (US) (ST)	2.2	Total Number of Stock Holdings	0
Transcanada Keystone 02-10-2009	2.2	Total Number of Bond Holdings	2
John Deere 0.83688(US) 26-02-2010	2.2	Total Number of Other Holdings	49
National Bk of Cda (US) 24-11-2009	2.2	Total Number of Underlying Holdings	51

Scotia U.S. \$ Money Market Fund

Portfolio Advisor Overview

Manager Bio



Bill Girard
Manager Since 1996-9-3
Scotia Asset Management

Bill joined Scotia Asset Management in 1994 having been with the Scotiabank Group for 20 years. He is a member of the fixed income team and has responsibility for credit risk across all managed client portfolios.

Bill began his career in the corporate credit division before moving to the corporate banking division. He joined the fixed income team at Scotia Asset Management in 1994 where he established a successful track record in value added trading, research and portfolio management which led him into successively more senior positions until assuming his current position.

Additional Information

You can find additional information about each fund in its annual information form, its most recently filed annual and interim financial statements, and its most recently filed annual and interim management reports of fund performance.

You can get a copy of these documents, at no charge, by calling 1 800 268-9269 for English or 1 800 387-5004 for French, or from your dealer or broker. You can also download these documents from our website at www.scotiafunds.com, or from SEDAR at www.sedar.com.

Portfolio Advisor Quarterly Commentary as of 09-30-2009

The return for Scotia U.S. \$ Money Market Fund over the quarter was 0.01% versus the benchmark Merrill Lynch 0-3 Months U.S. T-Bill Index return of 0.05% (both fund and index returns are in U.S. dollars).

During the third quarter, positive news came from the consumer confidence numbers beating expectations in September. Further confirmation came in the form of robust retail sales in August. Finally, inflation appears to be under control with core inflation for the month of August at 1.4%, a five-year low.

Three-month T-bill rates have rallied to historical lows as

the market continues to anticipate that the U.S. Federal Reserve will keep interest rates at current levels until late 2010 and that the three-month credit spreads remain at historical lows.

The portfolio manager continues to maintain a high level of liquidity within the fund by investing a large portion of the fund's assets in securities which are maturing within 30 days. The portfolio advisor has invested in some floating rate notes in an effort to improve the fund's yield and continues to maintain the fund's average maturity at approximately 60 days.

Disclosure

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IMPORTANT MUTUAL FUND INFORMATION

ScotiaFunds are managed by Scotia Asset Management LP, a corporate entity separate from, although wholly-owned by, The Bank of Nova Scotia.

Fund prices are provided for information purposes only. All information pertains to Class A units of the fund unless stated otherwise.

Units of the fund are only available for sale to residents of Canada, unless the laws of a foreign jurisdiction permit sales to its residents. Please contact your financial advisor for more details. The contents of this document should not be considered an offer to sell to, or a solicitation to buy mutual fund units from, any person in a jurisdiction where such offer or solicitation is considered unlawful.

Important information about the fund is contained in the Simplified Prospectus, which should be read carefully before investing. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. The performance data provided assumes reinvestment of distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. There can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment will be returned to you. Mutual funds are not covered by the Canada Deposit Insurance Corporation (CDIC) or by any other government deposit insurer. Past performance may not be repeated.

The annual historical yield is based on the seven-day period ended on October 31, 2009 (annualized in the case of effective yield by compounding the seven-day return) and does not represent an actual one-year return.

Scotia Asset Management LP, as Manager of the ScotiaFunds, may compensate its staff and any appointed sub-distributor by regular payments based on the net asset value (NAV) of units held by investors. For further details, please refer to the Simplified Prospectus.