Investing for the long term

ScotiaFunds Semi-Annual Report to Unitholders

June 30, 2008

ScotiaFunds™

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Economic outlook

Global Economic Overview

Despite a severe retrenchment in housing activity and motor vehicle sales, the U.S. economy managed to stay on a modest growth path during the first half of 2008, supported by big doses of monetary and fiscal stimulus, official actions to contain mortgage defaults, and unprecedented injections of term liquidity by the Federal Reserve. Even so, economic conditions are likely to weaken by year-end, and stay soft – around 1% – in 2009. Canada's strong resource-based regions should help the economy expand by around 1½% next year as the drag on manufacturing dissipates.

While the pathways to prolonged economic lethargy vary across countries, growth is unlikely to reach 1½% in Japan through 2008-09, and is expected to fall to this level in the U.K. and the euro zone over the next year. The sudden shift from credit expansion to credit crunch, widespread layoffs in financial services and the unwinding of excesses in real estate activity are rooted in structural imbalances that will take years to resolve.

Weakening domestic demand in the major developed nations will temper the pace of expansion in China, India, Russia, Brazil and other emerging powerhouses. Nevertheless, many emerging nations will continue to experience very robust domestic demand, led by rapid gains in household spending and infrastructural investment. Commodity exporters also are expected to enjoy solid markets for their energy, industrial and agricultural products. As a result, the great divide in performance between the traditional and emerging nations may actually widen as global growth recedes.

United States

U.S. growth in 2009 is likely to be even weaker than this year's paltry 1½% advance. The palliative to consumer spending provided by Washington's flood of tax rebate cheques will be followed by a relapse in sales once this fiscal stimulus recedes. The expiration of business tax incentives for machinery and equipment investment at the end of 2008 works in the same direction.

Further monetary easing later this year may help to prevent outright recession. Adding yet another layer to this year's unprecedented fiscal boost to address the lingering problem of mortgage foreclosures may forestall or avert an outright double dip, but at the cost of catapulting the federal deficit in FY2009 towards a new record above US$500 billion or 3½% of GDP. However, additional measures will not resolve the significant structural imbalances that are undermining growth.

Home-grown and global challenges point to lingering softness in U.S. domestic demand. The U.S. housing and auto sectors are in for a lengthy convalescence because the powerful 'borrow-to-buy' driver of household spending has been disengaged by declining housing prices, ready access to home equity loans, and recurring job losses. Discretionary consumer spending also is being squeezed by rocketing gasoline and food prices. Double-digit export gains and robust business investment have helped to cushion the impact of weakening consumer spending on U.S. growth, but these factors are likely to become less supportive going forward.

Canada

Canadian output growth will probably not exceed the U.S. outcome in 2008 because inventory swings and weather-related disruptions triggered a mild contraction on this side of the border at the beginning of the year. Domestic activity is being dragged down by weakening U.S. demand, the loonie's return to parity and exceptionally high oil and natural gas prices. While these factors have clouded prospects for many manufacturing and globally focused industries such as tourism, the auto sector has been at the epicentre of the adjustment. The industry will likely experience a trade deficit in motor vehicles and parts exceeding $7 billion this year after posting a record $21 billion trade surplus at the turn of the decade.

Even so, Canada's fortuitous position as a major commodity producer, its strategic advantage in government finance and its legacy of household caution with respect to leverage will help to shelter domestic activity from the gathering U.S. economic storm. The loss in Canadian manufacturing exports has been cushioned by a big run-up in commodity receipts, which now represent more than half of the value

of merchandise exports. Over the past year, Canada's trade surplus in commodities totalled $117 billion, roughly 1½ times the combined deficits in other trade categories.

Robust commodity revenues also have underpinned Canadian budget surpluses and supported substantial fiscal stimulus. The longer-term, broad-based commitment of Canadian governments to balanced budgets is now proving to be an important national strategic advantage, providing the means to boost spending and cut taxes. Moreover, unlike U.S. households that increasingly relied on home equity withdrawals to underwrite spending, Canadians have tended to build equity in their homes over the past decade. The levering up of higher-risk households that eventually precipitated the sub-prime mortgage crisis and credit crunch was not replicated on this side of the border.

Mexico and Latin America

Mexico's real GDP should average just over 3% this year and next, notwithstanding the retrenchment in the United States. Although there are evident pockets of weakness in manufacturing, mining activity, and oil production, overall output growth continues to expand in response to the country's comparatively strong competitive position in currency and labour markets. Large investments in the auto sector for example, are paying big dividends as vehicle shipments to the United States and the rest of Latin America gear up. Also supportive are continuing job gains which are bolstering purchasing power and domestic consumption.

Geographical proximity and trade interconnectedness are key factors determining the impact of the U.S. slowdown on the remaining countries throughout Latin America. Some of the largest countries in Central America – some of which are fully dollarized – are being more negatively affected. However, those economies in the southern cone seem better positioned to sustain momentum in trade, investment flows, and overall performance. Even with signs of some softening, industrial output growth in Brazil, Peru, and Argentina remains relatively high.

Europe and Asia

Price pressures are intensifying in the U.K. and across Europe. Rising food and energy costs have pushed consumer price inflation to 4% and forced the ECB to tighten policy another notch. With wage settlements in Germany moving above the 4% level, there is the risk of further interest rate increases to keep inflation expectations in check throughout the region. While labour market conditions in both the U.K. and the euro zone have remained favourable, growing price pressures are undercutting disposable incomes, confidence, and spending. As a result, consumer spending will remain subdued, especially in the U.K. where the housing market has cooled substantially. Accordingly, output growth in western Europe should average around 1½% in 2008-09.

Russia's robust growth prospects are underpinned by its status as the world's pre-eminent energy exporter, though the rapid pace of expansion has led to double-digit inflation. Across much of developing Asia, the economies are losing momentum, although the region continues to demonstrate impressive resilience in the face of rising energy and food costs and slowing growth in the industrialized countries. We still expect output growth in China and India to expand by 10% and 8%, respectively, this year, with some additional moderation evident in 2009. Asian export earnings remain robust, but domestic spending is beginning to lag in response to the run-up in the cost of basic necessities, as well as the global market turmoil. Japan's growth potential is capped by a slowly declining population, and by a massive public debt overhang.

Warren Jestin
Senior Vice-President
and Chief Economist
Scotiabank

Scotia T-Bill Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$178,765,001	$172,980,466
Cash	105,006	108,882
Accrued investment income	13,172	38,314
	178,883,179	173,127,662
LIABILITIES		
Distributions payable	2,865	5,813
Accrued expenses	163,710	160,122
	166,575	165,935
Net assets	$178,716,604	$172,961,727
NET ASSETS PER CLASS		
Class A Units	$178,716,604	$172,961,727
UNITS OUTSTANDING		
Class A Units	17,871,660	17,296,173
NET ASSETS PER UNIT		
Class A Units	$ 10.00	$ 10.00

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$2,940,951	$3,833,161
Securities lending	22,265	4,926
	2,963,216	3,838,087
EXPENSES		
Management fees (note 4)	889,157	920,197
Audit fees	6,411	6,084
Independent Review Committee fees	981	633
Custodian fees	6,207	6,633
Filing fees	10,431	10,169
Legal fees	3,590	4,782
Unitholder reporting	31,742	26,899
Unitholder administration, service fees and GST	260,735	269,603
	1,209,254	1,245,000
Absorbed expenses	(219,622)	(211,711)
	989,632	1,033,289
Net investment income (loss)	1,973,584	2,804,798
Increase (decrease) in net assets from operations	$1,973,584	$2,804,798
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$1,973,584	$2,804,798
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.11	$ 0.15

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$172,961,727	$193,291,590
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,973,584	2,804,798
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(1,973,584)	(2,804,798)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	47,643,041	39,000,817
Reinvested distributions		
Class A Units	1,946,710	2,761,423
Payments on redemption		
Class A Units	(43,834,874)	(59,598,767)
	5,754,877	(17,836,527)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	5,754,877	(17,836,527)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$178,716,604	$175,455,063

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
TREASURY BILLS – 100.0%			
43,560,000	Government of Canada 2.36% to 3.73% due Jul. 10, 2008	43,113,545	43,527,957
21,640,000	Government of Canada 2.62% due Aug. 21, 2008	21,446,106	21,561,519
56,190,000	Government of Canada 2.16% to 2.68% due Sep. 4, 2008	55,751,542	55,940,508
33,570,000	Government of Canada 2.62% to 2.75% due Sep. 18, 2008	33,274,152	33,377,229
14,085,000	Government of Canada 2.76% due Oct. 2, 2008	13,966,686	13,986,757
10,450,000	Government of Canada 2.60% due Oct. 16, 2008	10,367,341	10,371,031
	TOTAL INVESTMENT PORTFOLIO	177,919,372	178,765,001
	OTHER ASSETS, LESS LIABILITIES – 0.0%		(48,397)
	TOTAL NET ASSETS – 100.0%		178,716,604

The accompanying notes are an integral part of the financial statements

Scotia T-Bill Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia T-Bill Fund (the "Fund") is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. Any illiquid securities are identified in the Statement of Investment Portfolio.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1-High	100.0	100.0
Total	100.0	100.0

Scotia Premium T-Bill Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$1,019,614,651	$1,011,373,812
Cash	95,164	96,977
Accrued investment income	72,779	109,947
	1,019,782,594	1,011,580,736
LIABILITIES		
Distributions payable	63,324	91,102
Accrued expenses	253,968	322,053
	317,292	413,155
Net assets	$1,019,465,302	$1,011,167,581
NET ASSETS PER CLASS		
Class A Units	$1,019,465,302	$1,011,167,581
UNITS OUTSTANDING		
Class A Units	101,946,530	101,116,758
NET ASSETS PER UNIT		
Class A Units	$ 10.00	$ 10.00

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$16,958,902	$22,937,896
Securities lending	140,821	65,083
	17,099,723	23,002,979
EXPENSES		
Management fees (note 4)	2,552,064	2,754,805
Audit fees	9,292	9,347
Independent Review Committee fees	132	83
Custodian fees	31,217	34,623
Filing fees	17,144	18,372
Legal fees	1,380	1,819
Unitholder reporting	7,904	5,354
Unitholder administration, service fees and GST	177,999	219,129
	2,797,132	3,043,532
Rebated and Absorbed expenses	(1,118,198)	(1,236,106)
	1,678,934	1,807,426
Net investment income (loss)	15,420,789	21,195,553
Increase (decrease) in net assets from operations	$15,420,789	$21,195,553
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$15,420,789	$21,195,553
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.15	$ 0.19

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$1,011,167,581	$1,110,440,725
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	15,420,789	21,195,553
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(15,420,789)	(21,195,553)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	538,515,778	565,786,924
Reinvested distributions		
Class A Units	14,954,273	20,549,854
Payments on redemption		
Class A Units	(545,172,330)	(651,285,195)
	8,297,721	(64,948,417)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	8,297,721	(64,948,417)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$1,019,465,302	$1,045,492,308

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
TREASURY BILLS – 100.0%			
262,480,000	Government of Canada		
	2.67% due Jul. 10, 2008	260,581,391	262,308,753
109,070,000	Government of Canada		
	2.62% due Aug. 21, 2008	108,092,733	108,674,439
314,905,000	Government of Canada		
	2.51% due Sep. 4, 2008	312,439,228	313,510,579
190,655,000	Government of Canada		
	2.67% due Sep. 18, 2008	188,942,313	189,563,839
85,915,000	Government of Canada		
	2.76% due Oct. 2, 2008	85,193,314	85,315,743
60,700,000	Government of Canada		
	2.60% due Oct. 16, 2008	60,219,863	60,241,298
	TOTAL INVESTMENT PORTFOLIO	1,015,468,842	1,019,614,651
	OTHER ASSETS, LESS LIABILITIES – 0.0%		(149,349)
	TOTAL NET ASSETS – 100.0%		1,019,465,302

The accompanying notes are an integral part of the financial statements

Scotia Premium T-Bill Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Premium T-Bill Fund (the "Fund") is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. Any illiquid securities are identified in the Statement of Investment Portfolio.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1-High	100.0	100.0
Total	100.0	100.0

Scotia Money Market Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$1,860,517,428	$1,618,529,478
Cash	98,283	96,331
Accrued investment income	9,702,504	7,377,501
	1,870,318,215	1,626,003,310
LIABILITIES		
Distributions payable	22,474	22,638
Accrued expenses	983,973	790,066
	1,006,447	812,704
Net assets	$1,869,311,768	$1,625,190,606
NET ASSETS PER CLASS		
Class A Units	$1,035,915,084	$ 809,889,441
Advisor Class Units	$ 4,148,367	$ –
Class I Units	$ 15,030,791	$ 15,692,820
Scotia Private Client Units	$ 814,217,526	$ 799,608,345
UNITS OUTSTANDING		
Class A Units	103,591,508	80,988,944
Advisor Class Units	414,837	–
Class I Units	1,503,079	1,569,282
Scotia Private Client Units	81,421,753	79,960,835
NET ASSETS PER UNIT		
Class A Units	$ 10.00	$ 10.00
Advisor Class Units	$ 10.00	$ –
Class I Units	$ 10.00	$ 10.00
Scotia Private Client Units	$ 10.00	$ 10.00

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$36,687,552	$34,493,806
Securities lending	31	569
	36,687,583	34,494,375
EXPENSES		
Management fees (note 4)	4,812,937	4,351,089
Audit fees	9,420	9,347
Independent Review Committee fees	1,753	1,067
Custodian fees	57,119	51,334
Filing fees	35,222	30,283
Legal fees	8,583	7,120
Unitholder reporting	53,416	43,934
Unitholder administration, service fees and GST	642,201	694,265
	5,620,651	5,188,439
Absorbed expenses	(110,615)	(174,740)
	5,510,036	5,013,699
Net investment income (loss)	31,177,547	29,480,676
Increase (decrease) in net assets from operations	$31,177,547	$29,480,676
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$14,396,874	$13,568,648
Advisor Class Units+	$ 13,920	$ –
Class I Units	$ 320,236	$ 301,434
Scotia Private Client Units	$16,446,517	$15,610,594
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.15	$ 0.16
Advisor Class Units+	$ 0.11	$ –
Class I Units	$ 0.21	$ 0.22
Scotia Private Client Units	$ 0.21	$ 0.21

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 809,889,441	$ 870,583,021
Class I Units	15,692,820	13,172,631
Scotia Private Client Units	799,608,345	737,107,087
	1,625,190,606	1,620,862,739
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	14,396,874	13,568,648
Advisor Class Units+	13,920	–
Class I Units	320,236	301,434
Scotia Private Client Units	16,446,517	15,610,594
	31,177,547	29,480,676
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(14,396,874)	(13,568,648)
Advisor Class Units+	(13,920)	–
Class I Units	(320,236)	(301,434)
Scotia Private Client Units	(16,446,517)	(15,610,594)
	(31,177,547)	(29,480,676)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	776,649,016	593,509,846
Advisor Class Units+	4,818,548	–
Class I Units	561,127	2,880,299
Scotia Private Client Units	738,679,407	726,970,462
Reinvested distributions		
Class A Units	14,246,690	13,412,123
Advisor Class Units+	13,920	–
Class I Units	320,236	301,430
Scotia Private Client Units	16,348,013	15,518,063
Payments on redemption		
Class A Units	(564,870,063)	(627,743,950)
Advisor Class Units+	(684,101)	–
Class I Units	(1,543,392)	(2,261,817)
Scotia Private Client Units	(740,418,239)	(840,092,483)
	244,121,162	(117,506,027)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	226,025,643	(20,821,981)
Advisor Class Units+	4,148,367	–
Class I Units	(662,029)	919,912
Scotia Private Client Units	14,609,181	(97,603,958)
	244,121,162	(117,506,027)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,035,915,084	849,761,040
Advisor Class Units+	4,148,367	–
Class I Units	15,030,791	14,092,543
Scotia Private Client Units	814,217,526	639,503,129
	$1,869,311,768	$1,503,356,712

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Money Market Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
SHORT-TERM NOTES – 44.6%			
Bankers' Acceptances – 4.0%			
540,000	Canadian Imperial Bank of Commerce 3.57% due Jul. 8, 2008	535,286	539,633
4,000,000	Canadian Imperial Bank of Commerce 3.57% due Aug. 29, 2008	3,931,160	3,977,310
18,500,000	Canadian Imperial Bank of Commerce 3.15% due May 20, 2009	17,936,490	17,999,962
15,100,000	JP Morgan Chase Bank 3.57% due Jul. 7, 2008	14,966,818	15,091,219
2,810,000	National Bank of Canada 3.21% due Sep. 16, 2008	2,789,150	2,791,112
29,720,000	National Bank of Canada 3.21% due Sep. 19, 2008	29,491,750	29,512,500
2,100,000	Royal Bank of Canada 3.55% due Jul. 25, 2008	2,070,999	2,095,167
2,600,000	Royal Bank of Canada 3.50% due Aug. 13, 2008	2,559,986	2,589,444
		74,281,639	74,596,347
Bearers' Deposit Notes – 16.7%			
49,460,000	Bank of America Corporation 3.56% due Jul. 9, 2008	49,020,395	49,421,765
22,000,000	Citibank Canada 3.20% due Sep. 4, 2008	21,824,000	21,875,652
8,000,000	Citibank Canada 3.15% due Sep. 9, 2008	7,934,240	7,952,050
9,860,000	Citibank Canada 3.35% due Sep. 16, 2008	9,778,899	9,790,914
21,000,000	Deutsche Bank AG 3.08% due Sep. 3, 2008	20,836,410	20,887,422
29,100,000	Deutsche Bank AG 3.22% due Sep. 23, 2008	28,865,745	28,886,115
5,760,000	JP Morgan Chase Bank 3.57% due Jul. 8, 2008	5,709,715	5,756,089
29,000,000	JP Morgan Chase Bank 2.00% due Sep. 4, 2008	28,782,500	28,846,332
28,450,000	Manulife Bank of Canada 2.94% due Sep. 8, 2008	28,234,065	28,293,163
15,000,000	Manulife Bank of Canada 3.19% due Sep. 17, 2008	14,879,100	14,898,600
18,775,000	Royal Bank of Canada 3.20% due Sep. 17, 2008	18,623,110	18,647,609
15,000,000	Royal Bank of Canada 3.23% due Sep. 24, 2008	14,877,600	14,888,129
34,000,000	Toronto-Dominion Bank 3.21% due Mar. 6, 2009	32,953,820	33,281,295
15,630,000	Toronto-Dominion Bank 3.20% due May 26, 2009	15,146,564	15,193,048
14,700,000	Toronto-Dominion Bank 3.30% due May 27, 2009	14,231,658	14,275,404
		311,697,821	312,893,587
Commercial Paper – 23.9%			
15,550,000	Bank of Scotland 3.54% due Sep. 4, 2008	15,278,808	15,453,675
34,000,000	Bank of Scotland 3.54% due Sep. 5, 2008	33,407,040	33,786,146
42,088,000	Barclays PLC 3.60% due Jul. 16, 2008	41,582,978	42,026,494
1,150,000	Caterpillar Financial Services Ltd. 3.08% due Sep. 2, 2008	1,141,145	1,143,936
8,500,000	Caterpillar Financial Services Ltd. 3.06% due Sep. 3, 2008	8,435,655	8,454,746
16,830,000	Caterpillar Financial Services Ltd. 3.04% due Sep. 8, 2008	16,697,332	16,733,973

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
SHORT-TERM NOTES (cont'd)			
Commercial Paper (cont'd)			
2,400,000	Caterpillar Financial Services Ltd. 3.13% due Sep. 10, 2008	2,381,208	2,385,497
3,840,000	Citigroup Finance Canada Inc. 3.45% due Oct. 29, 2008	3,775,066	3,797,186
4,000,000	Citigroup Inc. 3.82% due Aug. 26, 2008	3,924,840	3,977,000
3,500,000	Citigroup Inc. 3.65% due Sep. 12, 2008	3,437,105	3,474,911
17,300,000	Enbridge Inc. 3.22% due Sep. 18, 2008	17,160,735	17,180,414
750,000	EnCana Corporation 3.72% due Jul. 10, 2008	743,183	749,318
4,000,000	General Electric Capital Canada Funding Company 3.19% due Sep. 11, 2008	3,968,800	3,975,040
13,350,000	General Electric Capital Canada Funding Company 3.30% due Oct. 14, 2008	13,143,209	13,225,212
17,800,000	General Electric Capital Canada Funding Company 3.14% due Nov. 19, 2008	17,527,126	17,587,430
4,125,000	General Electric Company 3.72% due Aug. 5, 2008	4,058,010	4,110,527
13,700,000	Goldman Sachs Finance 2.95% due Aug. 29, 2008	13,610,950	13,635,136
25,000,000	Goldman Sachs Group, Inc. (The) 3.25% due Aug. 25, 2008	24,867,585	24,878,279
2,000,000	Honda Canada Finance Inc. 3.17% due Sep. 9, 2008	1,984,320	1,987,938
23,000,000	Honda Canada Finance Inc. 3.16% due Sep. 11, 2008	22,820,140	22,857,693
13,000,000	Honda Canada Finance Inc. 3.18% due Sep. 12, 2008	12,897,690	12,917,927
25,000,000	Merrill Lynch & Company Inc. 3.80% due Jul. 11, 2008	24,765,250	24,974,203
3,800,000	Merrill Lynch & Company Inc. 2.95% due Sep. 4, 2008	3,772,564	3,780,185
10,000,000	Nova Scotia Power Inc. 3.10% due Jul. 7, 2008	9,970,400	9,994,926
24,950,000	Omers Realty Corporation 3.13% due Sep. 9, 2008	24,758,883	24,801,353
3,200,000	Suncor Inc. 3.06% due Jul. 3, 2008	3,197,856	3,199,464
4,700,000	Terasen Gas Inc. 3.63% due Jul. 7, 2008	4,656,225	4,697,222
3,100,000	Terasen Gas Inc. 2.97% due Sep. 4, 2008	3,077,463	3,083,723
9,500,000	Terasen Gas Inc. 3.22% due Sep. 29, 2008	9,421,910	9,425,233
20,000,000	TransCanada PipeLines Ltd. 3.26% due Aug. 26, 2008	19,893,400	19,900,507
5,320,000	TransCanada PipeLines Ltd. 3.26% due Aug. 28, 2008	5,290,687	5,292,578
15,000,000	TransCanada PipeLines Ltd. 3.35% due Sep. 26, 2008	14,879,850	14,881,215
1,620,000	Wells Fargo Financial Canada Corporation 3.16% due Sep. 15, 2008	1,606,781	1,609,425
7,585,000	Westcoast Energy Inc. 3.08% due Jul. 9, 2008	7,579,235	7,579,876
20,000,000	Woodbridge Finance Corporation 3.66% due Jul. 9, 2008	19,835,000	19,984,096
10,000,000	Woodbridge Finance Corporation 3.69% due Jul. 10, 2008	9,909,800	9,990,980

Scotia Money Market Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
SHORT-TERM NOTES (cont'd)			
Commercial Paper (cont'd)			
5,000,000	Woodbridge Finance Corporation 3.28% due Aug. 28, 2008	4,946,650	4,974,214
14,450,000	Woodbridge Finance Corporation 3.10% due Sep. 2, 2008	14,339,169	14,373,271
		444,744,048	446,880,949
SHORT-TERM BONDS – 54.9%			
49,314,000	American Express Company 4.24% due Jan. 27, 2009	49,228,884	49,272,344
12,000,000	Bank of Ireland 3.26% due Aug. 26, 2008 (Floating Rate)	11,983,834	11,997,232
27,000,000	Bank of Ireland 3.50% due Jan. 30, 2009 (Floating Rate)	27,000,000	27,000,000
63,548,000	Bank of Montreal 3.60% due Jul. 17, 2008 (Floating Rate)	63,521,821	63,545,204
8,698,000	Bank of Montreal 10.85% due Dec. 20, 2008	9,168,863	8,969,165
12,015,000	Bank of Montreal 4.66% due Mar. 31, 2009	12,125,057	12,102,991
13,628,000	Broadway Credit Card Trust 3.85% due Mar. 17, 2009	13,650,556	13,644,310
2,600,000	Canadian Imperial Bank of Commerce 4.40% due Aug. 26, 2008	2,592,070	2,598,447
14,000,000	Canadian Imperial Bank of Commerce 3.19% due Aug. 29, 2008 (Floating Rate)	13,981,240	13,994,466
48,000,000	Canadian Imperial Bank of Commerce 3.37% due Sep. 18, 2008 (Floating Rate)	48,000,000	48,000,000
17,825,000	Caterpillar Financial Services Ltd. 4.50% due Aug. 7, 2008	17,844,440	17,839,212
17,301,000	Citigroup Finance Canada Inc. 4.30% due Aug. 5, 2008	17,213,907	17,290,536
18,097,000	Citigroup Finance Canada Inc. 3.49% due Sep. 22, 2008	17,890,359	18,043,920
12,991,000	Enbridge Inc. 5.80% due Jul. 29, 2008	13,073,261	12,999,874
10,108,000	Enbridge Inc. 4.48% due Dec. 16, 2008	10,148,551	10,136,907
8,845,000	Enbridge Inc. 11.15% due Mar. 31, 2009	9,437,535	9,344,576
48,808,000	EnCana Corporation 3.60% due Sep. 15, 2008	48,653,194	48,771,599
5,107,000	General Electric Capital Canada Funding Company 3.33% due Apr. 2, 2009 (Floating Rate)	5,077,622	5,083,515
39,500,000	General Electric Capital Corporation 3.29% due Aug. 27, 2008 (Floating Rate)	39,485,459	39,495,465
80,989,000	Golden Credit Card Trust 4.16% due Oct. 15, 2008	81,101,220	81,056,641
41,556,000	Greater Toronto Airports Authority 3.37% due Oct. 24, 2008 (Floating Rate)	41,535,120	41,549,052
3,486,000	Greater Toronto Airports Authority 4.45% due Feb. 4, 2009	3,496,500	3,492,522
12,000,000	Honda Canada Finance Inc. 3.42% due Sep. 26, 2008 (Floating Rate)	11,997,028	11,999,293
5,737,000	Household Financial Corporation Ltd. 4.50% due Jul. 2, 2008	5,735,252	5,737,015
21,000,000	HSBC Bank of Canada 4.53% due May 19, 2009	21,191,550	21,175,172
22,800,000	HSBC Financial Corporation Ltd. 3.50% due Dec. 1, 2008	22,585,268	22,688,800
3,560,000	Hydro One Inc. 3.95% due Feb. 24, 2009	3,566,294	3,564,159
2,315,000	John Deere Credit Inc. 3.32% due Jul. 7, 2008	2,303,287	2,314,650
8,200,000	John Deere Credit Inc. 4.20% due Jan. 13, 2009	8,209,676	8,205,357
SHORT-TERM BONDS (cont'd)			
6,437,000	John Deere Credit Inc. 3.95% due Mar. 18, 2009	6,466,330	6,462,595
5,982,000	John Deere Credit Inc. 3.85% due Apr. 29, 2009	6,007,184	6,004,977
6,945,000	Manulife Bank of Canada 4.44% due Sep. 4, 2008	6,963,078	6,953,334
6,749,000	Maritime Life Canadian Funding 4.55% due Nov. 12, 2008	6,786,862	6,773,993
22,265,000	Merrill Lynch Canada Finance Company 4.70% due Sep. 12, 2008	22,286,304	22,280,870
45,000,000	National Australia Bank Ltd. 3.41% due Feb. 26, 2009 (Floating Rate)	45,000,000	45,000,000
25,312,000	Nova Scotia Power Inc. 5.65% due Jul. 14, 2008	25,441,172	25,322,904
10,000,000	Royal Bank of Canada 3.71% due Oct. 17, 2008 (Floating Rate)	9,974,674	9,991,558
39,000,000	Royal Bank of Canada 3.45% due Mar. 17, 2009 (Floating Rate)	39,000,000	39,000,000
40,000,000	Royal Bank of Scotland 3.80% due Oct. 3, 2008 (Floating Rate)	40,000,000	40,000,000
8,000,000	Terasen Inc. 6.30% due Dec. 1, 2008	8,142,640	8,070,174
2,391,000	Toyota Credit Canada Inc. 4.28% due Apr. 20, 2009	2,404,629	2,402,061
85,000,000	Toyota Credit Canada Inc. 3.10% due May 20, 2009 (Floating Rate)	85,000,000	85,000,000
10,000,000	TransCanada PipeLines Ltd. 4.10% due Feb. 20, 2009	10,038,100	10,031,934
35,157,000	Union Gas Ltd. 5.70% due Jul. 14, 2008	35,341,487	35,172,796
13,386,000	Wells Fargo Financial Canada Corporation 3.33% due Dec. 12, 2008 (Floating Rate)	13,345,890	13,368,027
32,409,000	York Receivable Trust III 4.27% due Jul. 21, 2008	32,221,465	32,398,898
		1,026,217,663	1,026,146,545
	TOTAL INVESTMENT PORTFOLIO	1,856,941,171	1,860,517,428
	OTHER ASSETS, LESS LIABILITIES – 0.5%		8,794,340
	TOTAL NET ASSETS – 100.0%		1,869,311,768

The accompanying notes are an integral part of the financial statements

Scotia Money Market Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Money Market Fund's (the "Fund") is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short-term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. Any illiquid securities are identified in the Statement of Investment Portfolio.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
Short-Term Rating		
R1-High	14.7	14.6
R1-Middle	25.2	25.1
R1-Low	5.0	5.0
Bond Credit Rating		
AAA	13.9	13.9
AA	24.5	24.4
A	16.3	16.2
BBB	0.4	0.4
Total	100.0	99.6

Scotia U.S. $ Money Market Fund
(formerly Scotia CanAm U.S. $ Money Market Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
	U.S.$	U.S.$
ASSETS		
Investments at fair value	$131,168,768	$103,186,386
Cash	108,940	169,830
Accrued investment income	182,896	187,427
	131,460,604	103,543,643
LIABILITIES		
Distributions payable	1,171	2,079
Accrued expenses	117,827	88,828
	118,998	90,907
Net assets	$131,341,606	$103,452,736
NET ASSETS PER CLASS		
Class A Units	$131,341,606	$103,452,736
UNITS OUTSTANDING		
Class A Units	13,134,161	10,345,274
NET ASSETS PER UNIT		
Class A Units	$ 10.00	$ 10.00

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
	U.S.$	U.S.$
INVESTMENT INCOME		
Interest	$1,933,228	$1,938,877
EXPENSES		
Management fees (note 4)	611,724	367,533
Audit fees	5,785	3,733
Independent Review Committee fees	105	51
Custodian fees	7,339	4,215
Filing fees	9,899	8,389
Legal fees	1,305	1,515
Unitholder reporting	7,131	3,909
Unitholder administration, service fees and GST	72,470	58,094
	715,758	447,439
Absorbed expenses	(47,755)	(46,166)
	668,003	401,273
Net investment income (loss)	1,265,225	1,537,604
Increase (decrease) in net assets from operations	$1,265,225	$1,537,604
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$1,265,225	$1,537,604
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.10	$ 0.21

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
	U.S.$	U.S.$
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$103,452,736	$ 73,746,310
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,265,225	1,537,604
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(1,265,225)	(1,537,604)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	105,606,211	70,005,776
Reinvested distributions		
Class A Units	1,255,731	1,520,995
Payments on redemption		
Class A Units	(78,973,072)	(63,236,897)
	27,888,870	8,289,874
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	27,888,870	8,289,874
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$131,341,606	$ 82,036,184

The accompanying notes are an integral part of the financial statements

Scotia U.S. $ Money Market Fund
(formerly Scotia CanAm U.S. $ Money Market Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
U.S.$		U.S.$	U.S.$
SHORT-TERM NOTES – 99.9%			
Treasury Bills – 8.9%			
11,760,000	Government of Canada 2.18% due Sep. 22, 2008	11,693,438	11,701,228
Promissory Notes – 14.7%			
860,000	Province of Ontario 1.59% due Jul. 9, 2008	856,637	859,698
2,600,000	Province of Ontario 2.00% due Aug. 13, 2008	2,586,766	2,593,815
4,800,000	Province of Ontario 2.00% due Aug. 25, 2008	4,775,040	4,785,396
4,600,000	Province of Ontario 2.05% due Aug. 28, 2008	4,576,341	4,584,853
3,700,000	Province of Ontario 2.02% due Sep. 4, 2008	3,681,426	3,686,585
2,800,000	Province of Ontario 2.16% due Sep. 12, 2008	2,784,796	2,787,803
		19,261,006	19,298,150
Bankers' Acceptances – 3.4%			
2,300,000	Canadian Imperial Bank of Commerce 2.69% due Sep. 11, 2008	2,284,291	2,287,706
2,200,000	Canadian Imperial Bank of Commerce 2.71% due Sep. 15, 2008	2,185,040	2,187,506
		4,469,331	4,475,212
Bearers' Deposit Notes – 19.3%			
2,100,000	Bank of Montreal 2.92% due Jul. 15, 2008	2,074,865	2,097,641
400,000	Bank of Montreal 2.68% due Sep. 19, 2008	397,396	397,633
1,200,000	Bank of Montreal 2.80% due Oct. 20, 2008	1,183,428	1,189,781
400,000	Bank of Montreal 2.70% due Nov. 3, 2008	394,524	396,300
2,400,000	Bank of Montreal 2.95% due May 21, 2009	2,330,496	2,338,134
3,675,000	National Bank of Canada 2.65% due Sep. 29, 2008	3,650,561	3,650,830
1,000,000	National Bank of Canada 3.55% due Oct. 15, 2008	973,600	989,824
1,200,000	National Bank of Canada 2.65% due Nov. 12, 2008	1,184,136	1,188,320
500,000	National Bank of Canada 2.65% due Nov. 19, 2008	493,425	494,878
4,900,000	Royal Bank of Canada 2.64% due Jul. 7, 2008	4,867,513	4,897,858
400,000	Royal Bank of Canada 2.57% due Aug. 13, 2008	397,448	398,781
300,000	Royal Bank of Canada 2.60% due Sep. 2, 2008	298,062	298,643
700,000	Royal Bank of Canada 2.50% due Nov. 18, 2008	691,355	693,276
500,000	Toronto-Dominion Bank 2.66% due Aug. 21, 2008	493,835	498,140
200,000	Toronto-Dominion Bank 2.50% due Sep. 4, 2008	198,334	199,105
600,000	Toronto-Dominion Bank 2.50% due Oct. 7, 2008	592,794	595,965
4,900,000	Toronto-Dominion Bank 3.55% due Oct. 10, 2008	4,771,522	4,852,468
200,000	Toronto-Dominion Bank 2.53% due Nov. 13, 2008	197,446	198,126
		25,190,740	25,375,703

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
U.S.$		U.S.$	U.S.$
SHORT-TERM NOTES (cont'd)			
Commercial Paper – 53.6%			
2,300,000	AIG Funding Inc. 2.52% due Aug. 28, 2008	2,285,464	2,290,735
800,000	Bank of America Corporation 2.57% due Aug. 18, 2008	792,920	797,281
1,500,000	Business Development Bank 1.50% due Jul. 7, 2008	1,494,465	1,499,627
300,000	Canadian Imperial Holdings Inc. 2.82% due Jul. 3, 2008	297,831	299,953
1,700,000	Canadian Imperial Holdings Inc. 2.89% due Aug. 18, 2008	1,684,071	1,693,520
2,000,000	Canadian Wheat Board 2.02% due Aug. 27, 2008	1,989,960	1,993,641
180,000	Canadian Wheat Board 2.04% due Sep. 10, 2008	179,066	179,279
1,600,000	Citigroup Finance Canada Inc. 2.73% due Jul. 8, 2008	1,591,375	1,599,155
4,700,000	Citigroup Finance Canada Inc. 2.57% due Sep. 5, 2008	4,668,651	4,677,989
1,700,000	Citigroup Funding Inc. 2.77% due Sep. 11, 2008	1,688,321	1,690,657
1,700,000	Citigroup Inc. 2.78% due Sep. 23, 2008	1,688,270	1,689,052
3,400,000	Enbridge Inc. 2.56% due Sep. 2, 2008	3,377,900	3,384,866
400,000	Enbridge Inc. 2.74% due Sep. 15, 2008	397,520	397,701
600,000	EnCana Corporation 2.43% due Jul. 7, 2008	598,866	599,757
800,000	EnCana Corporation 2.55% due Jul. 11, 2008	799,152	799,435
9,700,000	Export Development Corporation 1.40% due Jul. 2, 2008	9,665,791	9,699,623
1,800,000	Export Development Corporation 1.95% due Aug. 21, 2008	1,791,648	1,795,047
300,000	Export Development Corporation 1.95% due Aug. 22, 2008	298,416	299,160
3,400,000	Export Development Corporation 1.95% due Aug. 26, 2008	3,383,340	3,389,748
2,500,000	Export Development Corporation 1.95% due Aug. 27, 2008	2,487,600	2,492,317
2,600,000	Export Development Corporation 2.21% due Sep. 23, 2008	2,585,726	2,586,678
2,600,000	Fannie Mae 2.37% due Sep. 8, 2008	2,587,387	2,588,239
400,000	Freddie Mac 2.04% due Oct. 20, 2008	395,354	397,509
900,000	General Electric Capital Canada Funding Company 2.45% due Aug. 18, 2008	894,276	897,077
3,600,000	General Electric Capital Corporation 3.79% due Sep. 8, 2008	3,510,936	3,574,500
1,500,000	General Electric Capital Corporation 2.58% due Oct. 29, 2008	1,480,785	1,487,261
500,000	HSBC Financial Corporation Ltd. 2.57% due Aug. 12, 2008	495,785	498,512
2,300,000	HSBC Financial Corporation Ltd. 2.53% due Nov. 21, 2008	2,270,790	2,277,175
2,000,000	INGO Funding LLC 2.45% due Jul. 7, 2008	1,991,740	1,999,188
300,000	INGO Grope NV 2.70% due Sep. 8, 2008	295,873	298,469
3,600,000	Johnson & Johnson 2.00% due Sep. 4, 2008	3,582,072	3,587,052

Scotia U.S. $ Money Market Fund
(formerly Scotia CanAm U.S. $ Money Market Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
U.S.$		U.S.$	U.S.$
SHORT-TERM NOTES (cont'd)			
Commercial Paper (cont'd)			
900,000	KFW International Finance 2.15% due Sep. 12, 2008	890,270	896,119
600,000	Merrill Lynch & Company Inc. 2.90% due Jul. 9, 2008	596,730	599,615
1,700,000	Merrill Lynch & Company Inc. 2.00% due Aug. 14, 2008	1,684,003	1,693,826
1,100,000	Merrill Lynch & Company Inc. 2.96% due Sep. 8, 2008	1,092,544	1,093,802
900,000	Nestle Finance International 2.24% due Jul. 10, 2008	898,656	899,496
600,000	Shell Canada Ltd. 2.26% due Sep. 26, 2008	596,586	596,736
2,900,000	UBS Finance Delaware LLC 2.80% due Oct. 3, 2008	2,848,901	2,879,171
200,000	Wells Fargo Financial Inc. 1.98% due Aug. 15, 2008	198,960	199,507
		70,058,001	70,318,475
	TOTAL INVESTMENT PORTFOLIO	130,672,516	131,168,768
	OTHER ASSETS, LESS LIABILITIES – 0.1%		172,838
	TOTAL NET ASSETS – 100.0%		131,341,606

Scotia U.S. $ Money Market Fund
(formerly Scotia CanAm U.S. $ Money Market Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia U.S. $ Money Market Fund (the "Fund") 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 the World Bank.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. Any illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than U.S. dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

E. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1-High	71.0	70.9
R1-Middle	25.0	25.0
R1-Low	4.0	3.9
Total	100.0	99.8

Scotia Mortgage Income Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$440,624,172	$394,188,695
Cash	161,395	56,035
Accrued investment income	631,697	516,781
Subscriptions receivable	192,069	134,093
Mortgage payments receivable	3,181,654	11,335,466
	444,790,987	406,231,070
LIABILITIES		
Distributions payable	19,933	365
Redemptions payable	93,407	209,743
Accrued expenses	188,929	212,108
	302,269	422,216
Net assets	$444,488,718	$405,808,854
NET ASSETS PER CLASS		
Class A Units	$163,512,015	$171,569,756
Class F Units	$ 3,739	$ 3,744
Class I Units	$280,972,964	$234,235,354
UNITS OUTSTANDING		
Class A Units	15,177,771	16,138,126
Class F Units	348	352
Class I Units	26,187,613	22,078,628
NET ASSETS PER UNIT		
Class A Units	$ 10.77	$ 10.63
Class F Units	$ 10.75	$ 10.62
Class I Units	$ 10.73	$ 10.61

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$10,650,399	$11,616,519
Securities lending	4,157	3,052
	10,654,556	11,619,571
EXPENSES		
Management fees (note 4)	1,043,829	1,289,929
Audit fees	8,011	8,097
Independent Review Committee fees	489	329
Custodian fees	2,136	3,584
Filing fees	9,098	9,206
Legal fees	2,309	3,147
Unitholder reporting	17,918	14,998
Unitholder administration, service fees and GST	194,646	250,820
Mortgage service fees	687,491	650,148
	1,965,927	2,230,258
Absorbed expenses	(99,863)	(94,627)
	1,866,064	2,135,631
Net investment income (loss)	8,788,492	9,483,940
Net realized gain (loss) on investments sold	(90,606)	(27,657)
Change in unrealized appreciation (depreciation) of investments	5,660,934	(4,804,697)
Net gain (loss) on investments and transaction costs	5,570,328	(4,832,354)
Increase (decrease) in net assets from operations	$14,358,820	$ 4,651,586
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 5,226,204	$ 1,576,823
Class F Units	$ 128	$ –
Class I Units	$ 9,132,488	$ 3,074,763
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.34	$ 0.08
Class F Units	$ 0.36	$ –
Class I Units	$ 0.38	$ 0.15

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$171,569,756	$218,621,274
Class F Units	3,744	–
Class I Units	234,235,354	207,290,750
	405,808,854	425,912,024
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	5,226,204	1,576,823
Class F Units	128	–
Class I Units	9,132,488	3,074,763
	14,358,820	4,651,586
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(2,978,303)	(4,106,048)
Class F Units	(82)	–
Class I Units	(6,485,141)	(5,861,532)
	(9,463,526)	(9,967,580)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,860,885	5,516,514
Class I Units	42,970,595	51,761,539
Reinvested distributions		
Class A Units	2,855,580	3,932,677
Class F Units	82	–
Class I Units	6,484,983	5,863,472
Payments on redemption		
Class A Units	(16,022,107)	(35,379,675)
Class F Units	(133)	–
Class I Units	(5,365,315)	(64,826,756)
	33,784,570	(33,132,229)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(8,057,741)	(28,459,709)
Class F Units	(5)	–
Class I Units	46,737,610	(9,988,514)
	38,679,864	(38,448,223)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	163,512,015	190,161,565
Class F Units	3,739	–
Class I Units	280,972,964	197,302,236
	$444,488,718	$387,463,801

The accompanying notes are an integral part of the financial statements

Scotia Mortgage Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Interest Rate (%)	Number	Principal Balance ($)	Amortized Cost ($)	Market Value ($)
CONVENTIONAL MORTGAGES – 89.8%				
2.50 – 2.75	1	37,619	37,009	36,817
3.75 – 4.00	1	385,256	373,387	369,885
4.00 – 4.25	4	840,966	851,174	825,421
4.25 – 4.50	26	4,674,459	4,678,954	4,646,798
4.50 – 4.75	123	19,833,994	19,843,885	19,706,811
4.75 – 5.00	488	61,812,744	61,802,607	61,479,380
5.00 – 5.25	498	64,609,186	64,521,839	64,650,201
5.25 – 5.50	773	82,046,886	81,997,933	82,426,830
5.50 – 5.75	670	72,813,620	72,910,315	73,273,918
5.75 – 6.00	449	42,663,852	42,942,775	43,223,936
6.00 – 6.25	265	20,879,980	21,073,406	21,220,079
6.25 – 6.50	164	11,739,019	11,869,752	11,958,139
6.50 – 6.75	105	6,827,015	6,958,356	7,020,890
6.75 – 7.00	68	4,977,995	5,073,958	5,112,150
7.00 – 7.25	34	2,036,372	2,071,024	2,081,770
7.25 – 7.50	18	764,211	776,139	784,589
7.50 – 7.75	3	53,115	55,373	55,406
7.75 – 8.00	2	98,854	98,512	99,239
8.00 – 8.25	3	148,266	155,438	157,512
	3,695	397,243,409	398,091,836	399,129,771

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
SHORT-TERM NOTES – 9.3%			
41,735,000	Government of Canada Treasury Bills 2.50% to 2.76% due from Aug. 21, 2008 to Oct. 2, 2008	41,422,818	41,494,401
	TOTAL INVESTMENT PORTFOLIO	439,514,654	440,624,172
	OTHER ASSETS, LESS LIABILITIES – 0.9%		3,864,546
	TOTAL NET ASSETS – 100.0%		444,488,718

Scotia Mortgage Income Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Mortgage Income Fund (the "Fund") is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada. These mortgages are insured or guaranteed by Canadian federal or provincial governments or their agencies, or conventional first mortgages with loan-to-value ratios of no more than 75%, unless the excess is insured by an insurance company registered or licensed under federal or provincial legislation. The Bank of Nova Scotia will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation or from The Bank of Nova Scotia. The Fund may invest up to 25% of its assets in fixed income securities issued by Canadian federal, provincial and municipal governments, and by corporations. The Fund can invest up to 10% of its assets in foreign securities anywhere in the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. Each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as mortgages. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, the fair value of mortgages held would have decreased or increased by approximately $2,694,126 (approximately 0.6%of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the mortgages portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

	Percentage of Total Net Assets (%)
Mortgages of 3 year remaining maturity	21.7
Mortgages of 2 year remaining maturity	17.6
Mortgages of 4 year remaining maturity	17.2
Mortgages of 5 year remaining maturity	17.1
Cash and cash equivalents	9.4
Mortgages of 6 month remaining maturity	9.1
Mortgages of 1 year remaining maturity	5.5
Mortgages of 6 year remaining maturity	1.6
Total	99.2

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in mortgages this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

The mortgages are all guaranteed by Scotiabank Mortgage Corporation, which has a rating of "AA". The 9.3% in the Government of Canada Treasury Bill is rated at "AAA".

Scotia Canadian Income Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$2,002,885,955	$2,488,514,837
Cash	100,449	77,381
Accrued investment income	20,316,681	22,903,888
Receivable for securities sold	403,685,879	–
Subscriptions receivable	1,084,953	1,162,333
	2,428,073,917	2,512,658,439
LIABILITIES		
Payable for securities purchased	404,274,088	7,922,397
Distributions payable	132,668	4,949
Redemptions payable	615,730	1,635,070
Accrued expenses	878,811	920,729
	405,901,297	10,483,145
Net assets	$2,022,172,620	$2,502,175,294
NET ASSETS PER CLASS		
Class A Units	$ 692,146,324	$ 684,289,697
Advisor Class Units	$ 559,241	$ –
Class F Units	$ 286,181	$ 279,370
Class I Units	$ 953,108,260	$1,415,580,142
Scotia Private Client Units	$ 376,072,614	$ 402,026,085
UNITS OUTSTANDING		
Class A Units	54,584,594	53,879,500
Advisor Class Units	44,122	–
Class F Units	22,602	22,013
Class I Units	75,309,879	111,453,463
Scotia Private Client Units	29,705,925	31,651,715
NET ASSETS PER UNIT		
Class A Units	$ 12.68	$ 12.70
Advisor Class Units	$ 12.67	$ –
Class F Units	$ 12.66	$ 12.69
Class I Units	$ 12.66	$ 12.70
Scotia Private Client Units	$ 12.66	$ 12.70

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$ 59,618,077	$ 58,577,736
Securities lending	14,947	273,461
	59,633,024	58,851,197
EXPENSES		
Management fees (note 4)	4,456,626	4,936,576
Audit fees	11,476	11,425
Independent Review Committee fees	2,076	1,310
Custodian fees	75,771	79,666
Filing fees	22,821	23,040
Legal fees	9,422	8,427
Unitholder reporting	62,460	53,440
Unitholder administration, service fees and GST	626,300	764,200
	5,266,952	5,878,084
Absorbed expenses	(13,376)	(56,071)
	5,253,576	5,822,013
Net investment income (loss)	54,379,448	53,029,184
Net realized gain (loss) on investments sold	17,045,836	(16,602,065)
Net realized gain (loss) on foreign exchange	–	(341,795)
Change in unrealized appreciation (depreciation) of investments	(15,680,964)	(63,286,798)
Net gain (loss) on investments and transaction costs	1,364,872	(80,230,658)
Increase (decrease) in net assets from operations	$ 55,744,320	$(27,201,474)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 11,805,608	$ (9,624,322)
Advisor Class Units+	$ 895	$ –
Class F Units	$ 5,392	$ (2,668)
Class I Units	$ 35,226,144	$(12,523,906)
Scotia Private Client Units	$ 8,706,281	$ (5,050,578)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.22	$ (0.16)
Advisor Class Units+	$ 0.04	$ –
Class F Units	$ 0.25	$ (0.11)
Class I Units	$ 0.32	$ (0.14)
Scotia Private Client Units	$ 0.30	$ (0.10)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 684,289,697	$ 780,375,570
Class F Units	279,370	360,855
Class I Units	1,415,580,142	916,682,930
Scotia Private Client Units	402,026,085	611,080,426
	2,502,175,294	2,308,499,781
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	11,805,608	(9,624,322)
Advisor Class Units+	895	–
Class F Units	5,392	(2,668)
Class I Units	35,226,144	(12,523,906)
Scotia Private Client Units	8,706,281	(5,050,578)
	55,744,320	(27,201,474)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(13,018,086)	(12,726,082)
Advisor Class Units+	(5,859)	–
Class F Units	(6,241)	(6,160)
Class I Units	(36,459,045)	(28,228,209)
Scotia Private Client Units	(9,794,505)	(15,637,214)
	(59,283,736)	(56,597,665)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	56,462,650	53,363,663
Advisor Class Units+	561,393	–
Class F Units	20,070	55,253
Class I Units	95,188,267	431,569,351
Scotia Private Client Units	51,680,201	107,245,789
Reinvested distributions		
Class A Units	12,686,024	12,386,080
Advisor Class Units+	4,212	–
Class F Units	6,134	5,688
Class I Units	36,463,926	28,238,266
Scotia Private Client Units	9,447,790	15,438,288
Payments on redemption		
Class A Units	(60,079,569)	(105,991,708)
Advisor Class Units+	(1,400)	–
Class F Units	(18,544)	(132,899)
Class I Units	(592,891,174)	(9,696,452)
Scotia Private Client Units	(85,993,238)	(65,326,771)
	(476,463,258)	467,154,548
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	7,856,627	(62,592,369)
Advisor Class Units+	559,241	–
Class F Units	6,811	(80,786)
Class I Units	(462,471,882)	409,359,050
Scotia Private Client Units	(25,953,471)	36,669,514
	(480,002,674)	383,355,409
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	692,146,324	717,783,201
Advisor Class Units+	559,241	–
Class F Units	286,181	280,069
Class I Units	953,108,260	1,326,041,980
Scotia Private Client Units	376,072,614	647,749,940
	$2,022,172,620	$2,691,855,190

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Canadian Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 98.5%			
Federal Bonds – 16.6%			
195,505,000	Canada Housing Trust 4.65% due Sep. 15, 2009	198,587,264	198,380,237
95,685,000	Government of Canada 8.00% due Jun. 1, 2023	138,274,394	137,811,994
		336,861,658	336,192,231
Mortgage-Backed Securities – 11.8%			
32,160,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	32,162,187	31,907,222
40,600,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2039	40,160,107	38,108,378
43,590,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2039	43,315,699	41,193,422
45,270,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2039	44,755,806	42,224,234
31,570,000	Real Estate Asset Liquidity Trust 4.78% due Apr. 12, 2023	31,567,377	29,302,472
27,500,000	Schooner Trust 4.36% due Sep. 12, 2020	27,499,725	25,316,225
32,910,000	Schooner Trust 5.19% due Jun. 12, 2022	32,564,116	31,361,914
		252,025,017	239,413,867
Provincial Bonds – 24.2%			
49,535,000	British Columbia Municipal Financial Authority 4.60% due Apr. 23, 2018	49,342,804	49,200,041
49,915,000	Province of British Columbia 4.70% due Dec. 1, 2017	49,753,291	51,101,180
51,730,000	Province of Ontario 6.50% due Mar. 8, 2029	63,550,305	63,337,751
108,210,000	Province of Quebec 4.50% due Dec. 1, 2017	106,841,113	108,497,131
126,865,000	Province of Quebec 4.50% due Dec. 1, 2018	126,728,912	126,412,298
57,330,000	Quebec Hydro 11.00% due Aug. 15, 2020	91,095,641	90,662,167
		487,312,066	489,210,568
Corporate Bonds – 45.9%			
43,590,000	Bank of America Corporation 5.45% due Sep. 17, 2014	43,563,919	43,999,406
42,410,000	Bank of Montreal 5.45% due Jul. 17, 2017	42,288,888	42,591,384
7,230,000	Bank of Montreal 4.55% due Aug. 1, 2017	7,065,156	6,786,173
24,350,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	24,335,872	24,090,270
39,980,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	39,903,238	39,941,625
17,280,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	17,271,533	17,521,959
27,570,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	27,087,801	26,812,896
22,780,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	22,856,164	21,982,939
36,290,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	36,229,976	36,312,867
36,290,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	35,991,297	31,651,692
24,660,000	EnCana Corporation 4.30% due Mar. 12, 2012	24,587,485	24,217,813
19,630,000	EnCana Corporation 5.80% due Jan. 18, 2018	19,578,569	19,844,939
46,650,000	General Electric Capital Canada Funding Company 5.73% due Oct. 22, 2037	46,542,861	43,580,112
43,590,000	Genesis Trust 4.00% due Mar. 15, 2010	43,374,898	43,174,408
36,290,000	Golden Credit Card Trust 4.25% due Feb. 15, 2011	35,423,068	35,853,889
30,240,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	31,403,184	32,922,048
24,465,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	24,558,112	29,245,572
39,980,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	39,980,000	40,523,102
39,270,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	39,118,765	39,054,725
36,290,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	36,222,871	36,067,028
31,970,000	Morgan Stanley 4.90% due Feb. 23, 2017	31,847,057	28,273,280
36,290,000	NAV Canada 4.71% due Feb. 24, 2016	36,217,718	36,366,148
21,720,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	21,839,182	22,266,425
34,870,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	34,855,703	34,809,655
32,670,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	32,763,044	32,068,199
43,200,000	Suncor Energy Inc. 5.80% due May 22, 2018	43,167,600	42,971,879
36,290,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	35,225,839	32,469,430
36,290,000	Toyota Credit Canada Inc. 5.05% due Jul. 27, 2012	36,271,129	37,085,536
27,570,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	27,557,318	26,278,828
		937,128,247	928,764,227
	TOTAL BONDS AND DEBENTURES	2,013,326,988	1,993,580,893
SHORT-TERM NOTES – 0.5%			
9,310,000	Government of Canada Treasury bills 2.01% to 2.25% due Jul. 10, 2008	9,303,937	9,305,062
	TOTAL INVESTMENT PORTFOLIO	2,022,630,925	2,002,885,955
	OTHER ASSETS, LESS LIABILITIES – 1.0%		19,286,665
	TOTAL NET ASSETS – 100.0%		2,022,172,620

The accompanying notes are an integral part of the financial statements

Scotia Canadian Income Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Income Fund (the "Fund") is to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations; money market instruments issued by Canadian corporations. The Fund can invest up to 10% of its assets in foreign securities anywhere in the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $32,196,331 (approximately 1.6% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	> 10 years	Total
Interest Rate Exposure	0	380,341,914	240,960,867	826,323,230	545,954,882	1,993,580,893

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	39.4	38.8
AA	29.0	28.6
A	28.2	27.8
BBB	3.4	3.4
Total	100.0	98.6

Scotia U.S. $ Bond Fund
(formerly Scotia CanAm U.S. $ Income Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
	U.S.$	U.S.$
ASSETS		
Investments at fair value	$16,788,249	$14,706,445
Cash	87,862	112,921
Accrued investment income	257,250	244,803
Receivable for securities sold	–	1,082,845
Subscriptions receivable	–	14,998
	17,133,361	16,162,012
LIABILITIES		
Payable for securities purchased	–	1,221,500
Distributions payable	1,539	40
Redemptions payable	20,761	1,520
Accrued expenses	26,685	23,097
	48,985	1,246,157
Net assets	$17,084,376	$14,915,855
NET ASSETS PER CLASS		
Class A Units	$17,070,860	$14,902,609
Class F Units	$ 13,516	$ 13,246
UNITS OUTSTANDING		
Class A Units	1,621,784	1,414,850
Class F Units	1,287	1,259
NET ASSETS PER UNIT		
Class A Units	$ 10.53	$ 10.53
Class F Units	$ 10.50	$ 10.52

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
	U.S.$	U.S.$
INVESTMENT INCOME		
Interest	$436,508	$ 416,855
EXPENSES		
Management fees (note 4)	128,161	112,348
Audit fees	5,025	3,759
Independent Review Committee fees	58	33
Custodian fees	1,098	477
Filing fees	13,231	6,754
Legal fees	1,191	1,405
Unitholder reporting	5,847	3,170
Unitholder administration, service fees and GST	36,827	34,933
	191,438	162,879
Absorbed expenses	(37,125)	(26,316)
	154,313	136,563
Net investment income (loss)	282,195	280,292
Net realized gain (loss) on investments sold	13,678	(24,736)
Change in unrealized appreciation (depreciation) of investments	(90,994)	(177,148)
Net gain (loss) on investments and transaction costs	(77,316)	(201,884)
Increase (decrease) in net assets from operations	$204,879	$ 78,408
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$204,609	$ 78,310
Class F Units	$ 270	$ 98
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.13	$ 0.05
Class F Units	$ 0.21	$ 0.08

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
	U.S.$	U.S.$
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$14,902,609	$15,787,327
Class F Units	13,246	12,413
	14,915,855	15,799,740
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	204,609	78,310
Class F Units	270	98
	204,879	78,408
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(303,347)	(302,564)
Class F Units	(300)	(308)
	(303,647)	(302,872)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	3,837,517	650,514
Reinvested distributions		
Class A Units	294,324	290,718
Class F Units	300	308
Payments on redemption		
Class A Units	(1,864,852)	(2,219,876)
	2,267,289	(1,278,336)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	2,168,251	(1,502,898)
Class F Units	270	98
	2,168,521	(1,502,800)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	17,070,860	14,284,429
Class F Units	13,516	12,511
	$17,084,376	$14,296,940

The accompanying notes are an integral part of the financial statements

Scotia U.S. $ Bond Fund
(formerly Scotia CanAm U.S. $ Income Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
U.S.$		U.S.$	U.S.$
BONDS AND DEBENTURES – 98.3%			
Federal Bonds – 2.9%			
500,000	Inter-American Development Bank 3.50% due Mar. 15, 2013	509,380	488,687
Provincial Bonds – 61.4%			
1,850,000	Province of British Columbia 4.30% due May 30, 2013	1,875,854	1,872,893
600,000	Province of Manitoba 4.90% due Dec. 6, 2016	586,437	608,220
2,000,000	Province of New Brunswick 7.63% due Feb. 15, 2013	2,418,800	2,282,921
1,000,000	Province of Nova Scotia 5.75% due Feb. 27, 2012	1,098,727	1,059,211
500,000	Province of Ontario 2.75% due Feb. 22, 2011	498,430	489,524
1,250,000	Province of Ontario 4.75% due Jan. 19, 2016	1,237,450	1,262,552
1,200,000	Province of Quebec 4.60% due May 26, 2015	1,211,991	1,199,319
1,500,000	Province of Saskatchewan 7.38% due Jul. 15, 2013	1,727,802	1,711,179
		10,655,491	10,485,819
Corporate Bonds – 32.8%			
500,000	Canadian Pacific Railway Ltd. 6.50% due May 15, 2018	504,330	496,970
650,000	Citigroup Inc. 6.50% due Jan. 18, 2011	658,450	674,511
500,000	Deere & Company 6.95% due Apr. 25, 2014	558,270	555,860
500,000	EnCana Holdings Finance Corporation 5.80% due May 1, 2014	511,995	507,920
700,000	European Investment Bank 2.88% due Mar. 15, 2013	699,307	674,631
500,000	General Electric Capital Corporation 7.38% due Jan. 19, 2010	537,360	525,800
500,000	Household Financial Corporation Ltd. 6.38% due Oct. 15, 2011	491,525	515,690
500,000	Petro-Canada 5.00% due Nov. 15, 2014	493,313	495,598
650,000	Toronto-Dominion Bank 6.15% due Oct. 15, 2008	658,938	654,857
500,000	Wal-Mart Stores Inc. 4.55% due May 1, 2013	484,085	503,250
		5,597,573	5,605,087
SHORT-TERM NOTES – 1.2%			
200,000	U.S. Treasury Note 4.25% due Nov. 15, 2013	217,581	208,656
	TOTAL INVESTMENT PORTFOLIO	16,980,025	16,788,249
	OTHER ASSETS, LESS LIABILITIES – 1.7%		296,127
	TOTAL NET ASSETS – 100.0%		17,084,376

The accompanying notes are an integral part of the financial statements

Scotia U.S. $ Bond Fund
(formerly Scotia CanAm U.S. $ Income Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia U.S. $ Bond Fund (the "Fund") is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and issued by Canadian federal, provincial and municipal governments, Canadian corporations and supranational entities, such as the World Bank.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than U.S. dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of the interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $177,402 (approximately 1.0% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	654,857	1,689,836	7,397,282	7,046,274	0	16,788,249

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	22.5	22.1
AA	20.5	20.2
A	54.0	53.1
BBB	3.0	2.9
Total	100.0	98.3

Scotia Global Bond Fund
(formerly Scotia CanGlobal Income Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$41,495,407	$42,400,376
Cash	56,882	88,686
Accrued investment income	728,144	759,835
Subscriptions receivable	7,566	9,283
Receivable from currency forward contracts	138,507	230,066
	42,426,506	43,488,246
LIABILITIES		
Distributions payable	393	69
Redemptions payable	19,132	46,548
Accrued expenses	36,593	37,651
	56,118	84,268
Net assets	$42,370,388	$43,403,978
NET ASSETS PER CLASS		
Class A Units	$19,451,998	$18,480,918
Class I Units	$22,918,390	$24,923,060
UNITS OUTSTANDING		
Class A Units	2,446,698	2,463,229
Class I Units	2,885,664	3,316,498
NET ASSETS PER UNIT		
Class A Units	$ 7.95	$ 7.50
Class I Units	$ 7.94	$ 7.51

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$1,088,980	$ 2,779,105
Securities lending	372	982
	1,089,352	2,780,087
EXPENSES		
Management fees (note 4)	147,944	168,136
Audit fees	4,330	4,752
Independent Review Committee fees	236	161
Custodian fees	1,980	5,811
Filing fees	8,373	8,270
Legal fees	1,651	2,240
Unitholder reporting	10,822	8,407
Unitholder administration, service fees and GST	75,535	91,706
	250,871	289,483
Absorbed expenses	(29,360)	(39,967)
	221,511	249,516
Net investment income (loss)	867,841	2,530,571
Net realized gain (loss) on investments sold	(413,413)	(9,229,582)
Net realized gain (loss) on foreign exchange	(14,521)	(145,014)
Change in unrealized appreciation (depreciation) of investments	3,096,050	(804,219)
Change in unrealized appreciation (depreciation) of currency forward	(91,559)	(67,445)
Net gain (loss) on investments and transaction costs	2,576,557	(10,246,260)
Increase (decrease) in net assets from operations	$3,444,398	$ (7,715,689)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$1,388,514	$ (2,191,669)
Class I Units	$2,055,884	$ (5,524,020)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.56	$ (0.80)
Class I Units	$ 0.69	$ (0.51)

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$18,480,918	$ 24,560,096
Class I Units	24,923,060	114,424,188
	43,403,978	138,984,284
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,388,514	(2,191,669)
Class I Units	2,055,884	(5,524,020)
	3,444,398	(7,715,689)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(307,913)	(386,782)
Class I Units	(615,094)	(2,408,440)
	(923,007)	(2,795,222)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,125,699	698,807
Class I Units	1,016,778	16,964,224
Reinvested distributions		
Class A Units	306,435	384,704
Class I Units	615,054	2,408,147
Payments on redemption		
Class A Units	(2,541,655)	(3,594,814)
Class I Units	(5,077,292)	(102,612,522)
	(3,554,981)	(85,751,454)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	971,080	(5,089,754)
Class I Units	(2,004,670)	(91,172,611)
	(1,033,590)	(96,262,365)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	19,451,998	19,470,342
Class I Units	22,918,390	23,251,577
	$42,370,388	$ 42,721,919

The accompanying notes are an integral part of the financial statements

Scotia Global Bond Fund
(formerly Scotia CanGlobal Income Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 97.9%			
Canadian Dollar – 6.9%			
900,000	Government of Canada 4.00% due Jun. 1, 2016	882,779	920,318
1,600,000	Government of Canada 5.75% due Jun. 1, 2033	1,957,891	2,006,319
		2,840,670	2,926,637
United States Dollar – 27.6%			
500,000	European Investment Bank 5.25% due Jun. 15, 2011	521,306	536,891
1,240,000	Export Development Corporation 4.63% due Apr. 1, 2010	1,433,015	1,302,311
150,000	Federal National Mortgage Association 7.13% due Jan. 15, 2030	238,894	196,325
340,000	Household Financial Corporation Ltd. 6.38% due Oct. 15, 2011	536,246	357,648
900,000	Kreditanstalt fuer Wiederaufbau 4.50% due Jul. 16, 2018	905,808	915,182
2,280,000	Province of British Columbia 4.30% due May 30, 2013	2,684,358	2,354,143
1,200,000	Province of Manitoba 4.90% due Dec. 6, 2016	1,402,390	1,240,644
300,000	Province of Manitoba 9.25% due Apr. 1, 2020	552,973	418,347
150,000	Province of Manitoba 8.88% due Sep. 15, 2021	240,110	209,274
1,340,000	Province of Nova Scotia 8.88% due Jul. 1, 2019	2,080,860	1,800,070
1,300,000	Province of Quebec 4.60% due May 26, 2015	1,315,296	1,325,116
900,000	Province of Saskatchewan 7.38% due Jul. 15, 2013	1,286,994	1,047,137
		13,198,250	11,703,088
Austrian Schilling – 3.8%			
1,500,000	Oesterreichische Kontrollbank Aktiengesellschaft 5.00% due Apr. 25, 2017	1,633,650	1,594,070
Australian Dollar – 5.9%			
900,000	European Investment Bank 5.75% due Sep. 15, 2009	878,225	860,424
1,800,000	Province of Ontario 5.50% due Jul. 13, 2012	1,527,317	1,624,591
		2,405,542	2,485,015
Brazilian Real – 2.3%			
1,600,000	International Development Bank for Reconstruction & Development 10.25% due Jan. 25, 2010	938,153	992,217
British Pound – 4.7%			
200,000	Eurofima 6.13% due Oct. 14, 2014	470,061	414,977
410,000	Province of Ontario 5.38% due Jul. 28, 2009	929,208	828,487
370,000	UK Treasury Gilt 5.00% due Mar. 7, 2025	846,557	739,549
		2,245,826	1,983,013
Euro – 29.3%			
3,130,000	European Investment Bank 4.63% due Apr. 15, 2020	5,081,901	4,856,630
1,200,000	Inter-American Development Bank 5.50% due Mar. 30, 2010	2,038,553	1,935,197
3,660,000	Province of Ontario 4.13% due May 14, 2013	5,785,561	5,635,033
		12,906,015	12,426,860
French Franc – 9.4%			
2,600,000	Government of France 4.00% due Oct. 25, 2014	3,919,060	4,005,910
German Mark – 5.6%			
1,500,000	Kreditanstalt fuer Wiederaufbau 4.63% due Oct. 12, 2012	2,470,603	2,364,025
Spanish Peseta – 2.4%			
1,000,000	Instituto de Credito Oficial 4.53% due Mar. 17, 2016	964,550	1,014,572
	TOTAL INVESTMENT PORTFOLIO	43,522,319	41,495,407
	OTHER ASSETS, LESS LIABILITIES – 2.1%		874,981
	TOTAL NET ASSETS – 100.0%		42,370,388

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Jul 31, 2008	Japanese Yen	226,525,811	Australian Dollar	2,222,083	2,158,746	17,737
Jul 31, 2008	Japanese Yen	285,452,040	Canadian Dollar	2,700,766	2,691,829	50,823
Jul 31, 2008	Japanese Yen	289,073,105	Euro Dollar	1,719,036	2,752,779	24,665
Jul 31, 2008	Japanese Yen	422,903,581	U.S. Dollar	3,952,074	4,026,716	36,584
Jul 31, 2008	Norwegian Krone	3,861,923	U.S. Dollar	760,933	778,782	(5,473)
Jul 31, 2008	Singapore Dollar	1,639,032	U.S. Dollar	1,202,104	1,224,449	4,119
Jul 31, 2008	Swiss Franc	987,750	Euro Dollar	612,779	982,114	4,087
Jul 31, 2008	Swiss Franc	504,184	U.S. Dollar	491,153	500,728	2,665
Jul 31, 2008	U.S. Dollar	204,515	Australian Dollar	214,703	208,876	(291)
Jul 31, 2008	U.S. Dollar	781,471	British Pound	393,986	798,540	(1,519)
Jul 31, 2008	U.S. Dollar	599,997	Canadian Dollar	606,561	605,722	6,213
Jul 31, 2008	U.S. Dollar	1,331,924	Euro Dollar	847,965	1,359,530	(1,103)
					18,088,811	138,507

The currency forward contracts outstanding at June 30,2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Global Bond Fund
(formerly Scotia CanGlobal Income Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Global Bond Fund (the "Fund") is to provide a high level of regular interest income. It invests primarily in foreign currency-denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Euro Dollar	13,702,372	32.3
Japanese Yen	11,630,071	27.4
U.S. Dollar	9,755,560	23.0
Swiss Franc	1,482,843	3.5
Singapore Dollar	1,224,449	2.9
British Pound	1,184,472	2.8
Brazilian Real	992,217	2.3
Norwegian Krone	778,782	1.8
Australian Dollar	117,393	0.3
Total	40,868,159	96.3

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $4,086,816 (approximately 9.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $634,880 (approximately 1.5% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	0	6,455,528	12,335,440	11,562,743	11,141,697	41,495,408

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	65.1	63.7
AA	20.3	19.9
A	14.6	14.3
Total	100.0	97.9

Scotia Diversified Monthly Income Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$589,487,738	$451,179,462
Cash	137,849	104,619
Accrued investment income	2,345,838	1,701,141
Receivable for securities sold	21,876,309	–
Subscriptions receivable	3,178,308	1,469,503
	617,026,042	454,454,725
LIABILITIES		
Payable for securities purchased	22,236,563	–
Distributions payable	101,328	117,983
Redemptions payable	486,669	174,333
Accrued expenses	691,811	534,317
	23,516,371	826,633
Net assets	$593,509,671	$453,628,092
NET ASSETS PER CLASS		
Class A Units	$593,371,088	$453,620,909
Advisor Class Units	$ 127,860	$ –
Class F Units	$ 10,723	$ 7,183
UNITS OUTSTANDING		
Class A Units	57,005,921	43,478,743
Advisor Class Units	12,259	–
Class F Units	1,019	683
NET ASSETS PER UNIT		
Class A Units	$ 10.41	$ 10.43
Advisor Class Units	$ 10.43	$ –
Class F Units	$ 10.53	$ 10.51

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 3,900,222	$2,121,692
Interest	8,179,219	5,249,140
Capital gains distributions received	3,283	19,738
Securities lending	112,377	55,454
Foreign withholding taxes	(71,987)	(22,676)
	12,123,114	7,423,348
EXPENSES		
Management fees (note 4)	3,234,621	1,686,857
Audit fees	9,642	8,925
Independent Review Committee fees	793	261
Custodian fees	19,759	13,224
Filing fees	21,260	17,343
Legal fees	3,103	4,140
Unitholder reporting	26,488	12,534
Unitholder administration, service fees and GST	300,801	204,040
	3,616,467	1,947,324
Absorbed expenses	(562)	(6,480)
	3,615,905	1,940,844
Net investment income (loss)	8,507,209	5,482,504
Net realized gain (loss) on investments sold	(2,301,429)	(487,828)
Net realized gain (loss) on foreign exchange	(27,746)	11,378
Transaction costs	(204,355)	(106,198)
Change in unrealized appreciation (depreciation) of investments	2,165,339	2,795,011
Net gain (loss) on investments and transaction costs	(368,191)	2,212,363
Increase (decrease) in net assets from operations	$ 8,139,018	$7,694,867
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 8,140,497	$7,694,797
Advisor Class Units+	$ (1,649)	$ –
Class F Units	$ 170	$ 70
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.16	$ 0.30
Advisor Class Units+	$ (0.59)	$ –
Class F Units	$ 0.20	$ 0.32

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$453,620,909	$197,540,504
Class F Units	7,183	652
	453,628,092	197,541,156
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	8,140,497	7,694,797
Advisor Class Units+	(1,649)	–
Class F Units	170	70
	8,139,018	7,694,867
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(9,172,620)	(4,770,439)
Advisor Class Units+	(631)	–
Class F Units	(158)	(41)
	(9,173,409)	(4,770,480)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	188,103,258	159,580,707
Advisor Class Units+	129,757	–
Class F Units	3,370	3,067
Reinvested distributions		
Class A Units	8,620,141	4,460,734
Advisor Class Units+	383	–
Class F Units	158	41
Payments on redemption		
Class A Units	(55,941,097)	(28,239,643)
	140,915,970	135,804,906
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	139,750,179	138,726,156
Advisor Class Units+	127,860	–
Class F Units	3,540	3,137
	139,881,579	138,729,293
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	593,371,088	336,266,660
Advisor Class Units+	127,860	–
Class F Units	10,723	3,789
	$593,509,671	$336,270,449

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 50.1%			
CANADIAN EQUITIES – 44.2%			
Energy – 1.3%			
50,000	EnCana Corporation	3,390,966	4,635,000
55,000	Petro-Canada	2,920,712	3,089,350
		6,311,678	7,724,350
Materials – 1.3%			
100,000	Russel Metals Inc.	2,415,530	3,020,000
26,949	Sherritt International Corporation	417,171	413,398
93,000	Teck Cominco Ltd. Class B	3,703,798	4,551,420
		6,536,499	7,984,818
Industrials – 1.5%			
100,000	Finning International Inc.	2,729,128	2,549,000
250,000	New Flyer Industries Inc.	2,850,000	3,067,500
148,800	Student Transportation of America Ltd.	1,041,600	818,400
100,000	Toromont Industries Ltd.	2,533,750	2,729,000
		9,154,478	9,163,900
Consumer Discretionary – 2.3%			
125,000	Rogers Communications Inc. Class B	5,434,603	4,945,000
230,000	Shaw Communications Inc. Class B	5,029,543	4,777,100
125,000	Thomson Reuters Corporation	5,115,080	4,095,000
		15,579,226	13,817,100
Consumer Staples – 0.7%			
65,000	Alimentation Couche-Tard Inc. Class B	1,592,930	885,950
60,000	Shoppers Drug Mart Corporation	3,063,000	3,352,800
		4,655,930	4,238,750
Financials – 16.4%			
80,000	Bank of Montreal	5,388,292	3,392,000
285,000	Bank of Nova Scotia, The	14,111,037	13,300,950
90,000	Brookfield Asset Management Inc. Class A	3,444,622	2,979,000
118,000	Canadian Imperial Bank of Commerce	9,134,449	6,598,560
75,000	First Capital Realty Inc.	1,753,278	1,781,250
160,000	Great-West Lifeco Inc.	5,271,939	4,662,400
3,280	Great-West Lifeco Inc. 4.80% 1st Pref. Series E	91,086	86,920
35,000	IGM Financial Inc.	1,603,833	1,477,700
370,000	Manulife Financial Corporation	14,191,721	13,101,700
260,000	Power Corporation of Canada	9,448,087	8,047,000
55,000	Power Financial Corporation	1,880,988	1,822,150
395,000	Royal Bank of Canada	20,309,807	17,964,600
145,000	Sun Life Financial Services of Canada Inc.	7,093,581	6,053,750
245,000	Toronto-Dominion Bank	16,317,596	15,697,150
		110,040,316	96,965,130
Telecommunication Services – 2.5%			
205,000	BCE Inc.	6,665,266	7,287,750
3,930	BCE Inc. Pref. T	98,942	87,443
105,847	Bell Aliant Regional Communications	3,367,671	3,078,031
40,000	Manitoba Telecom Services Inc.	1,784,283	1,600,400
65,000	Telus Corporation Non-Voting	4,024,570	2,650,700
		15,940,732	14,704,324
Utilities – 3.7%			
225,000	Emera Inc.	4,558,367	5,190,750
100,000	Enbridge Inc.	3,565,483	4,403,000
140,000	Fortis Inc.	3,501,705	3,801,000
115,000	TransAlta Corporation	2,915,544	4,134,250
106,600	TransCanada Corporation	3,851,838	4,194,710
		18,392,937	21,723,710
Income Trust Units – 14.5%			
235,000	AltaGas Income Trust	5,848,011	6,018,350
175,000	ARC Energy Trust	3,680,077	5,894,000

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Income Trust Units (cont'd)			
325,000	Arctic Glacier Income Fund	3,424,768	3,204,500
210,000	Baytex Energy Trust	4,173,169	7,305,900
110,000	BFI Canada Income Fund	2,999,616	2,547,600
95,000	Bonavista Energy Trust	3,102,019	3,557,750
211,432	Canadian Apartment Properties Real Estate Investment Trust	3,685,589	3,662,002
85,000	Canadian Oil Sands Trust	2,554,880	4,648,650
100,000	Chartwell Seniors Housing Real Estate Investment	1,297,682	909,000
56,000	CI Financial Income Fund	1,489,263	1,232,000
125,000	Cineplex Galaxy Income Fund	2,032,130	1,837,500
200,000	CML Healthcare Income Fund	3,066,574	2,850,000
100,000	Cominar Real Estate Investment Trust	1,947,436	2,172,000
250,000	Daylight Resources Trust	2,925,440	3,022,500
25,000	Enerplus Resources Fund	1,194,155	1,177,500
45,000	Fording Canadian Coal Trust	1,213,507	4,365,000
100,000	Fort Chicago Energy Partners LP	1,228,879	1,085,000
100,000	Great Lakes Hydro Income Fund	1,816,589	1,895,000
91,200	Keyera Facilities Income Fund	1,667,018	2,020,080
35,000	Labrador Iron Ore Royalty Income Fund	857,416	1,949,500
175,000	Mullen Group Income Fund	3,150,005	3,951,500
230,000	Progress Energy Trust	2,437,800	3,346,500
150,000	RioCan Real Estate Investment Trust	3,362,921	2,970,000
275,000	Teranet Income Fund	2,755,318	2,389,750
225,000	Trinidad Energy Services Income Trust	2,988,867	3,215,250
105,000	Vermilion Energy Trust	3,666,016	4,646,250
500,000	Yellow Pages Income Fund	5,506,882	4,420,000
		74,072,027	86,293,082
	TOTAL CANADIAN EQUITIES	260,683,823	262,615,164
FOREIGN EQUITIES – 5.9%			
United States – 5.9%			
30,000	Abbott Laboratories	1,672,290	1,617,355
200,000	Citigroup Inc.	4,843,991	3,406,460
31,500	Duke Energy Corporation	584,785	557,721
60,000	DuPont (E.I.) de Nemours & Company	2,859,558	2,622,770
51,000	Enbridge Energy Partners LP	2,653,606	2,616,865
15,000	Exelon Corporation	1,022,763	1,375,027
20,000	Freeport-McMoran Copper & Gold Inc. Class B	1,739,728	2,390,437
150,000	Intel Corporation	3,033,383	3,286,112
40,000	Johnson & Johnson	2,715,401	2,621,954
175,000	Navios Maritime Partners LP	3,377,857	2,596,916
100,000	Pfizer Inc.	2,823,798	1,779,722
75,000	Republic Services Inc.	2,279,673	2,269,529
87,800	Seaspan Corporation	2,307,838	2,146,443
160,000	Spectra Energy Corporation	3,934,446	4,688,267
20,000	U.S. Bancorp	764,738	567,063
12,000	Wachovia Corporation	756,197	189,701
	TOTAL FOREIGN EQUITIES	37,370,052	34,732,342
	TOTAL EQUITIES	298,053,875	297,347,506
BONDS AND DEBENTURES – 18.0%			
Federal Bonds – 3.4%			
12,615,000	Canada Housing Trust 4.65% due Sep. 15, 2009	12,833,041	12,800,525
5,030,000	Government of Canada 8.00% due Jun. 1, 2023	7,268,853	7,244,545
		20,101,894	20,045,070
Mortgage-Backed Securities – 1.4%			
1,000,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	1,056,712	992,140
1,500,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2039	1,486,543	1,407,945

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Mortgage-Backed Securities (cont'd)			
1,525,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2039	1,531,646	1,441,156
1,500,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2039	1,486,070	1,399,080
1,500,000	Real Estate Asset Liquidity Trust 4.78% due Apr. 12, 2023	1,499,875	1,392,262
500,000	Schooner Trust 4.36% due Sep. 12, 2020	493,149	460,295
1,500,000	Schooner Trust 5.19% due Jun. 12, 2022	1,484,235	1,429,440
		9,038,230	8,522,318
Provincial Bonds – 5.5%			
2,295,000	British Columbia Municipal Financial Authority 4.60% due Apr. 23, 2018	2,286,095	2,279,481
1,905,000	Province of British Columbia 4.70% due Dec. 1, 2017	1,898,826	1,950,270
2,165,000	Province of Ontario 4.30% due Mar. 8, 2017	2,143,932	2,156,082
2,980,000	Province of Ontario 6.50% due Mar. 8, 2029	3,660,930	3,648,685
12,360,000	Province of Quebec 4.50% due Dec. 1, 2017	12,301,602	12,392,796
6,605,000	Province of Quebec 4.50% due Dec. 1, 2018	6,591,906	6,581,431
2,145,000	Quebec Hydro 11.00% due Aug. 15, 2020	3,413,134	3,392,122
		32,296,425	32,400,867
Corporate Bonds – 7.7%			
1,700,000	Bank of America Corporation 5.45% due Sep. 17, 2014	1,700,040	1,715,967
2,000,000	Bank of Montreal 5.45% due Jul. 17, 2017	1,999,199	2,008,553
1,700,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	1,698,011	1,681,867
1,700,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	1,697,262	1,698,368
1,000,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	999,510	1,014,002
1,700,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	1,647,435	1,653,316
1,000,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	1,002,574	965,011
1,700,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	1,696,560	1,701,071
1,700,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	1,637,805	1,482,719
1,000,000	EnCana Corporation 4.30% due Mar. 12, 2012	998,930	982,069
1,000,000	EnCana Corporation 5.80% due Jan. 18, 2018	997,380	1,010,950
2,000,000	Finning International Inc. 6.02% due Jun. 1, 2018	2,003,095	2,006,798
1,700,000	General Electric Capital Canada Funding Company 5.73% due Oct. 22, 2037	1,699,031	1,588,128
2,000,000	Genesis Trust 4.00% due Mar. 15, 2010	1,973,411	1,980,932
1,500,000	Golden Credit Card Trust 4.25% due Feb. 15, 2011	1,463,805	1,481,974
1,000,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	1,220,044	1,088,692
1,000,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	1,236,971	1,195,405
2,000,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	2,003,324	2,027,169
1,700,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	1,701,075	1,690,681
2,000,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	1,989,775	1,987,712
1,000,000	Morgan Stanley 4.90% due Feb. 23, 2017	995,759	884,369
2,000,000	NAV Canada 4.71% due Feb. 24, 2016	1,988,451	2,004,197
150,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	163,464	153,774
2,000,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	1,998,545	1,996,539
2,000,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	1,984,898	1,963,158
2,000,000	Suncor Energy Inc. 5.80% due May 22, 2018	1,998,090	1,989,439
2,000,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	1,919,142	1,789,442
1,800,000	Toyota Credit Canada Inc. 5.05% due Jul. 27, 2012	1,806,465	1,839,459
2,000,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	1,914,437	1,906,335
		46,134,488	45,488,096
	TOTAL BONDS AND DEBENTURES	107,571,037	106,456,351
FIXED INCOME – 23.8%			
13,180,032	Scotia Mortgage Income Fund Class I	141,344,190	141,504,779
SHORT-TERM NOTES – 7.4%			
44,360,000	Government of Canada Treasury Bills 2.52% to 2.69% due from Jul. 10, 2008 to Oct. 16, 2008	44,048,837	44,179,102
	TOTAL INVESTMENT PORTFOLIO	591,017,939	589,487,738
	OTHER ASSETS, LESS LIABILITIES – 0.7%		4,021,933
	TOTAL NET ASSETS – 100.0%		593,509,671

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Diversified Monthly Income Fund (the "Fund") is to provide regular monthly income and some capital appreciation. The portfolio advisor determines the asset mix of debt and equity securities based on its analysis of market conditions and performance expectations for each asset class in a manner consistent with the Fund's investment objectives.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	34,736,275	5.9
Total	34,736,275	5.9

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $3,473,628 (approximately 0.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $1,359,980 (approximately 0.2% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	0	20,803,755	11,889,163	48,059,414	25,704,019	106,456,351

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	35.4	6.4
AA	28.2	5.0
A	32.3	5.8
BBB	4.1	0.7
Total	100.0	17.9

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $21,409,020 (approximately 3.6% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Balanced Fund (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$2,114,721,387	$2,053,942,518
Cash	7,458,632	2,170,701
Accrued investment income	10,559,989	8,527,682
Receivable for securities sold	326,844,295	175,290
Subscriptions receivable	3,330,542	3,011,674
Receivable from currency forward contracts	–	255,719
	2,462,914,845	2,068,083,584
LIABILITIES		
Payable for securities purchased	218,988,796	14,102,623
Distributions payable	22,930	638
Redemptions payable	1,154,678	1,299,122
Accrued expenses	3,684,959	3,522,298
Payable for futures contracts	17,960	–
Payable for currency forward contracts	1,512,692	–
	225,382,015	18,924,681
Net assets	$2,237,532,830	$2,049,158,903
NET ASSETS PER CLASS		
Class A Units	$2,237,470,372	$2,049,096,661
Class F Units	$ 62,458	$ 62,242
UNITS OUTSTANDING		
Class A Units	102,886,433	93,704,784
Class F Units	2,929	2,895
NET ASSETS PER UNIT		
Class A Units	$ 21.75	$ 21.87
Class F Units	$ 21.33	$ 21.50

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 13,233,181	$ 8,940,012
Interest	22,110,678	20,764,461
Capital gains distributions received	2,576	–
Securities lending	152,518	173,646
Foreign withholding taxes	(704,390)	(706,517)
	34,794,563	29,171,602
EXPENSES		
Management fees (note 4)	18,644,061	16,900,288
Audit fees	11,964	11,994
Independent Review Committee fees	6,047	3,121
Custodian fees	122,035	155,885
Filing fees	53,291	41,915
Legal fees	16,782	18,181
Unitholder reporting	174,029	125,019
Unitholder administration, service fees and GST	1,880,199	2,012,115
	20,908,408	19,268,518
Absorbed expenses	(46,807)	(26,130)
	20,861,601	19,242,388
Net investment income (loss)	13,932,962	9,929,214
Net realized gain (loss) on investments sold	21,028,023	57,255,797
Net realized gain (loss) on foreign exchange	(557,078)	(2,892,523)
Transaction costs	(1,318,049)	(803,236)
Change in unrealized appreciation (depreciation) of investments	(27,234,121)	(43,998,622)
Change in unrealized appreciation (depreciation) of currency forward	(1,768,411)	(46,491)
Net gain (loss) on investments and transaction costs	(9,849,636)	9,514,925
Increase (decrease) in net assets from operations	$ 4,083,326	$ 19,444,139
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 4,083,110	$ 19,443,358
Class F Units	$ 216	$ 781
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.04	$ 0.23
Class F Units	$ 0.07	$ 0.28

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$2,049,096,661	$1,837,556,019
Class F Units	62,242	60,822
	2,049,158,903	1,837,616,841
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	4,083,110	19,443,358
Class F Units	216	781
	4,083,326	19,444,139
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(14,674,499)	(12,911,423)
Class F Units	(708)	(699)
	(14,675,207)	(12,912,122)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	325,121,162	294,589,136
Reinvested distributions		
Class A Units	14,637,517	12,690,410
Class F Units	708	700
Payments on redemption		
Class A Units	(140,793,579)	(167,523,009)
	198,965,808	139,757,237
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	188,373,711	146,288,472
Class F Units	216	782
	188,373,927	146,289,254
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	2,237,470,372	1,983,844,491
Class F Units	62,458	61,604
	$2,237,532,830	$1,983,906,095

The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 53.2%			
CANADIAN EQUITIES – 34.3%			
Energy – 8.1%			
328,906	Canadian Natural Resources Ltd.	14,411,110	33,166,881
413,112	EnCana Corporation	21,686,179	38,295,482
74,879	Ensign Resource Service Group Inc.	1,232,014	1,661,565
150,532	Husky Energy Inc.	3,571,741	7,272,201
142,729	Imperial Oil Ltd.	4,821,722	7,965,705
324,084	Nexen Inc.	10,768,674	13,109,198
283,610	Opti Canada Inc.	5,501,019	6,551,391
334,282	Petro-Canada	12,700,764	18,776,620
130,476	Petrobank Energy & Resources Ltd.	6,231,223	6,910,009
599,960	Suncor Energy Inc.	20,273,712	35,451,636
601,770	Talisman Energy Inc.	8,360,057	13,587,967
		109,558,215	182,748,655
Materials – 6.5%			
80,150	Agnico-Eagle Mines Ltd.	3,242,753	6,084,988
94,250	Agrium Inc.	5,210,337	10,327,915
618,960	Barrick Gold Corporation	18,669,587	28,137,922
172,406	Cameco Corporation	4,431,331	7,535,866
414,040	Goldcorp Inc.	13,052,990	18,900,926
181,050	Potash Corporation of Saskatchewan Inc.	11,406,381	42,541,319
143,800	Sherritt International Corporation	1,917,396	2,205,892
468,880	Teck Cominco Ltd. Class B	15,361,106	22,946,987
418,040	Yamana Gold Inc.	5,787,970	7,035,613
		79,079,851	145,717,428
Industrials – 2.1%			
1,575,202	Bombardier Inc. Class B	9,962,431	11,546,231
358,700	CAE Inc.	3,608,555	4,132,224
363,302	Canadian National Railway Company	9,612,309	17,794,532
86,901	Canadian Pacific Railway Ltd.	3,672,703	5,857,996
95,660	Finning International Inc.	2,049,500	2,438,373
94,900	SNC-Lavalin Group Inc.	3,546,613	5,227,092
		32,452,111	46,996,448
Consumer Discretionary – 2.7%			
99,934	Canadian Tire Corporation Ltd. Class A	5,998,456	5,284,510
117,099	Magna International Inc. Class A	10,330,863	7,105,567
464,840	Rogers Communications Inc. Class B	14,069,283	18,389,070
367,480	Shaw Communications Inc. Class B	7,788,591	7,632,560
454,599	Thomson Reuters Corporation	18,966,835	14,892,663
207,550	Tim Hortons Inc.	7,075,346	6,056,309
		64,229,374	59,360,679
Consumer Staples – 0.7%			
206,352	Saputo Inc.	3,696,056	5,980,081
184,946	Shoppers Drug Mart Corporation	5,331,836	10,334,782
		9,027,892	16,314,863
Financials – 8.8%			
334,934	Bank of Montreal	16,834,150	14,201,202
587,500	Bank of Nova Scotia, The	29,303,080	27,418,625
143,500	Brookfield Asset Management Inc. Class A	4,422,786	4,749,850
169,860	Canadian Imperial Bank of Commerce	11,713,786	9,498,571
326,000	Great-West Lifeco Inc.	9,359,104	9,499,640
447	iUnits Canadian S&P/TSX Capped Energy Index Put Options $105.00 Jul. 18, 2008	118,902	29,604
487	iUnits Canadian S&P/TSX Capped Energy Index Put Options $110.00 Jul. 19, 2008	137,334	104,705
799,786	Manulife Financial Corporation	25,825,382	28,320,422
643,250	Power Corporation of Canada	18,410,960	19,908,588
827,762	Royal Bank of Canada	31,951,258	37,646,616
2,484	S&P/TSX 60 Index Put Options $85.00 Jul. 18, 2008	273,240	231,012
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Financials (cont'd)			
187,034	Sun Life Financial Services of Canada Inc.	7,542,954	7,808,670
582,605	Toronto-Dominion Bank	33,553,361	37,327,500
		189,446,297	196,745,005
Information Technology – 1.9%			
346,700	Nortel Networks Corporation	3,172,491	2,894,945
322,230	Research in Motion Ltd.	24,220,275	38,567,709
		27,392,766	41,462,654
Telecommunication Services – 1.5%			
685,350	BCE Inc.	22,688,674	24,364,193
201,756	Telus Corporation	7,873,182	8,590,770
		30,561,856	32,954,963
Utilities – 0.6%			
342,930	TransCanada Corporation	11,805,048	13,494,296
Income Trust Units – 1.4%			
500,000	Aeroplan Income Fund	8,638,350	8,505,000
45,000	Bonavista Energy Trust	1,377,000	1,685,250
309,770	Canadian Oil Sands Trust	10,887,086	16,941,321
360,730	Yellow Pages Income Fund	4,549,223	3,188,853
		25,451,659	30,320,424
	TOTAL CANADIAN EQUITIES	579,005,069	766,115,415
FOREIGN EQUITIES – 18.9%			
United States – 14.1%			
107,118	Abbott Laboratories	5,854,189	5,774,926
142,658	Adobe Systems Inc.	6,039,338	5,731,113
141,474	AT&T Inc.	5,399,565	4,846,670
136,912	Bank of New York Company Inc.	6,067,471	5,279,649
108,252	Baxter International Inc.	6,421,249	7,050,529
98,817	Chesapeake Energy Corporation	4,044,007	6,647,665
71,170	Chevron Corporation	6,269,038	7,188,207
94,674	Chubb Corporation	4,952,846	4,732,300
225,137	Cisco Systems Inc.	6,279,014	5,340,887
89,805	Colgate-Palmolive Company	6,566,825	6,321,677
88,020	ConocoPhillips	7,837,114	8,454,674
162,606	CVS Caremark Corporation	6,196,058	6,554,059
78,313	Deere & Company	5,829,480	5,761,116
54,985	Eaton Corporation	4,969,560	4,765,041
145,053	Eli Lilly & Company	7,737,906	6,818,522
226	Energy Select Sector Put Options $84.00 Jul. 19, 2008	70,533	19,592
60,648	Entergy Corporation	6,688,479	7,439,275
80,032	Exelon Corporation	6,340,491	7,336,410
88,595	Express Scripts Inc.	6,383,938	5,667,246
94,625	Exxon Mobil Corporation	7,910,302	8,477,251
47,015	Flowserve Corporation	5,136,820	6,534,696
185,902	Forest Laboratories Inc.	6,900,572	6,586,743
19,065	Freeport-McMoran Copper & Gold Inc. Class B	1,627,359	2,278,684
109,506	Gilead Sciences Inc.	4,841,109	5,913,719
42,428	Goldman Sachs Group Inc.	7,986,225	7,547,544
12,604	Google Inc.	6,698,197	6,767,022
46,038	Hess Corporation	4,507,123	5,924,665
117,693	Hewlett-Packard Company	5,530,905	5,295,939
132,331	Honeywell International Inc.	7,566,572	6,777,900
186,077	Host Hotels & Resorts Inc.	3,156,624	2,588,594
158,519	JPMorgan Chase & Company	7,288,432	5,547,009
115,740	KBW Regional Banking ETF	3,325,303	3,128,140
85,621	Kellogg Company	4,500,285	4,188,093
95,580	Lincoln National Corporation	5,894,322	4,408,130
54,658	Lockheed Martin Corporation	5,809,701	5,494,286

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
103,001	McDonald's Corporation	5,886,523	5,899,638
128,800	McGraw-Hill Companies Inc.	5,198,758	5,262,397
116,995	MEMC Electronic Materials Inc.	7,620,704	7,340,750
281,509	Microsoft Corporation	8,852,814	7,898,411
65,510	Molson Coors Brewing Company Class B	3,467,527	3,629,979
108,600	Morgan Stanley	5,426,431	3,989,609
41,855	Nucor Corporation	2,683,746	3,187,501
335,324	Oracle Corporation	6,724,752	7,181,923
101,557	PepsiCo Inc.	7,068,480	6,585,477
91,153	Philip Morris International Inc.	4,824,759	4,585,122
27,487	Praxair Inc.	1,941,921	2,638,835
134,710	S&P 500 Depository Receipts	18,518,912	17,583,235
1,200	S&P 500 Depository Receipts Put Options $128.00 Jul.18, 2008	388,589	305,969
1,200	S&P 500 Depository Receipts Put Options $129.00 Jul.18, 2008	357,875	362,268
140,540	Snap-On Inc.	6,390,186	7,453,498
40,504	Transocean Inc.	4,775,605	6,286,549
115,656	Verizon Communications Inc.	4,745,416	4,168,613
213,946	Walt Disney Company	7,222,887	6,799,210
186,462	Wells Fargo & Company	5,697,253	4,501,377
172,357	Western Digital Corporation	4,984,792	6,069,911
130,480	Zions Bancorporation	6,004,746	4,190,573
		317,409,628	315,108,818
Australia – 0.3%			
22,600	BHP Billiton Ltd.	732,147	981,622
11,800	Caltex Australia Ltd.	152,117	150,854
20,405	CSL Ltd.	550,309	713,197
82,088	Fortescue Metals Group Ltd.	540,842	948,940
8,228	Incitec Pivot Ltd.	1,079,633	1,478,224
101,314	Macquarie Airports	330,467	204,520
8,949	Macquarie Group Ltd.	642,773	423,981
4,064	Macquarie Infrastructure Group	13,794	9,200
19,921	National Australia Bank Ltd.	685,729	514,666
68,970	Oxiana Ltd.	311,117	175,925
68,200	Qantas Airways Ltd.	235,803	202,588
23,779	QBE Insurance Group Ltd.	473,024	514,974
17,200	Seven Network Ltd.	135,268	126,474
15,000	Suncorp-Metway Ltd.	266,621	190,837
57,900	Telstra Corporation Ltd.	264,211	239,811
13,476	Worleyparsons Ltd.	470,301	497,978
		6,884,156	7,373,791
Austria – 0.0%			
5,000	Voest Alpine AG	224,833	418,277
Belgium – 0.0%			
30,200	Fortis	1,215,918	488,901
1,100	Solvay SA	152,550	145,903
		1,368,468	634,804
Denmark – 0.0%			
10,384	Novo Nordisk A/S Series B	720,509	697,828
Finland – 0.1%			
21,700	Nokia Oyj	585,532	542,197
44,400	Stora Enso Oyj Class R	804,019	420,722
		1,389,551	962,919
France – 0.5%			
17,400	Air France	906,771	422,947
11,100	BNP Paribas SA	1,108,556	1,014,361
5,800	Compagnie Generale des Etablissements Michelin Class B	487,639	421,999
24,139	Credit Agricole SA	837,030	498,925
6,769	Essilor International SA	400,112	421,256

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
France (cont'd)			
14,100	France Telecom SA	374,691	422,183
7,100	Lagardere S.C.A.	619,979	411,589
8,800	Renault SA	913,094	734,362
11,310	Sanofi-Aventis SA	1,085,235	767,450
20,329	SES Global SA FDR	508,669	522,418
6,865	Societe Generale	873,564	602,818
12,161	Suez SA	807,161	842,438
7,241	Technip-Coflexip SA	631,477	679,071
32,607	Total SA	2,452,016	2,835,362
700	Vallourec SA	222,527	249,425
		12,228,521	10,846,604
Germany – 0.5%			
6,700	Allianz AG	1,498,883	1,199,842
20,400	BASF AG	1,104,731	1,426,782
13,714	Bayer AG	839,840	1,172,287
1,700	Bilfinger Berger AG	152,512	150,082
7,300	Deutsche Bank AG	1,092,702	636,602
4,278	Deutsche Boerse AG	541,745	489,655
22,600	Deutsche Lufthansa AG	438,812	495,124
32,100	Deutsche Telekom AG	642,555	536,358
13,890	E.ON AG	2,177,652	2,851,732
5,129	Fresenius Medical Care AG	289,836	288,076
55,200	Infineon Technologies AG	594,164	480,322
3,900	Muenchener Rueckver AG	572,361	696,328
2,008	Porsche AG Pref.	379,903	314,260
6,120	RWE AG	614,866	784,726
10,200	TUI AG	276,633	240,729
		11,217,195	11,762,905
Hong Kong – 0.0%			
45,100	Esprit Holdings Ltd.	443,060	478,769
20,000	Guoco Group Ltd.	230,793	206,685
		673,853	685,454
Italy – 0.1%			
25,500	Eni SpA	806,888	968,543
10,300	Fondiaria-Sai SpA	488,306	345,855
6,100	Fondiaria-Sai SpA – RNC	220,920	138,497
12,408	Saipem SpA	502,180	592,856
155,200	Telecom Italia SpA	341,692	316,996
97,400	Telecom Italia SpA-RNC	165,190	160,169
		2,525,176	2,522,916
Japan – 0.9%			
4,150	Canon Inc.	198,656	217,034
41,000	Dainippon Ink and Chemicals Inc.	178,422	121,181
56	East Japan Railway Co. Ltd.	390,275	465,032
76,000	Fujitsu Ltd.	530,042	573,333
40,000	Furukawa Electric Co Ltd	150,139	176,789
64,000	Hitachi Ltd.	489,243	469,609
18,200	Honda Motor Co. Ltd.	581,725	631,756
75,000	Isuzu Motors Ltd.	365,763	367,442
14,900	JFE Holdings Inc.	471,739	764,121
48	KDDI Corporation	316,081	303,183
65,000	Mitsubishi Chemical Holdings	598,630	384,827
59,400	Mitsubishi Corporation	1,661,313	1,994,049
128,000	Mitsui & Co. Ltd.	2,160,745	2,883,140
82,000	Mitsui Chemicals Inc.	635,744	411,486
52,000	Mitsui O.S.K. Lines Ltd.	402,385	761,949
22,400	Namco Bandai Holdings Inc.	364,010	259,115
3,800	Nintendo Co. Ltd.	2,112,612	2,181,927
59,000	Nippon Mining Holdings Inc.	420,231	377,827

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Japan (cont'd)			
101,000	Nippon Steel Corporation	565,051	556,668
139	Nippon Telegraph and Telephone Corporation	760,574	691,230
99,900	Nissan Motor Co. Ltd.	1,158,373	839,076
3,790	Orix Corporation	932,724	558,761
33,000	Sharp Corporation	644,490	549,352
3,000	Sony Corporation	149,220	131,504
87	Sumitomo Mitsui Financial Group Inc.	815,841	665,898
25,300	Tokyo Electric Power Co. Ltd.	736,548	663,270
83,000	Toshiba Corporation	698,118	622,586
62,000	Tosoh Corporation	386,673	259,168
18,100	Toyota Motor Corporation	1,002,781	868,614
		19,878,148	19,749,927
Netherlands – 0.3%			
15,044	ArcelorMittal	840,662	1,514,748
31,978	ING Groep NV	949,721	1,030,774
41,120	Koninklijke Ahold NV	576,573	561,849
5,300	Koninklijke DSM NV	294,411	316,106
63,743	Royal Dutch Shell PLC Class A	2,540,230	2,672,302
14,100	Wolters Kluwer NV	358,136	333,620
		5,559,733	6,429,399
New Zealand – 0.0%			
118,700	Telecom Corporation of New Zealand Ltd.	370,250	323,558
Norway – 0.1%			
8,700	Norsk Hydro ASA	143,964	129,163
59,705	Statoil ASA	2,099,316	2,273,294
		2,243,280	2,402,457
Spain – 0.2%			
73,207	Banco Santander Central Hispano SA	1,575,431	1,362,457
38,403	Iberdrola Renovables	301,945	302,384
15,000	Repsol YPF SA	481,295	601,984
51,896	Telefonica SA	1,278,766	1,398,983
		3,637,437	3,665,808
Sweden – 0.1%			
35,040	Atlas Copco AB Series A	634,109	525,362
22,000	Nordea Bank AB	363,962	307,204
32,500	Svenska Cellulosa AB Class B	551,442	466,737
16,800	Tele2 AB Class B	351,025	333,154
27,700	Volvo AB Series B	356,487	344,652
		2,257,025	1,977,109
Switzerland – 0.4%			
64,832	ABB Ltd.	1,001,039	1,866,247
4,500	Alcon Inc.	590,416	746,627
20,233	Credit Suisse Group	1,131,282	936,364
19,563	Julius Baer Holding AG	1,555,615	1,335,483
40,460	Nestle SA	1,486,503	1,860,151
29,658	Novartis AG	1,733,551	1,658,785
2,970	Syngenta AG	790,448	980,330
		8,288,854	9,383,987
United Kingdom – 1.3%			
26,320	3i Group PLC	687,398	438,587
20,262	Anglo American PLC	1,342,628	1,463,698
19,000	Antofagasta PLC	222,056	251,966
22,700	Associated British Foods PLC	377,976	349,293
52,200	Aviva PLC	720,503	527,530
123,031	BAE Systems PLC	1,086,291	1,104,428
82,997	Barclays PLC	925,154	490,061

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
82,997	Barclays PLC Rights Jul. 17, 2008	–	3,963
77,394	BG Group PLC	1,645,931	2,056,192
34,412	Billiton PLC	1,087,425	1,348,044
58,200	BP PLC	776,863	688,620
31,551	British American Tobacco PLC	1,119,108	1,109,639
48,600	GlaxoSmithKline PLC	1,458,578	1,095,487
103,510	HBOS PLC	1,830,013	577,802
41,404	HBOS PLC Rights Jul. 18, 2008	–	9,042
55,300	Home Retail Group PLC	565,584	243,536
48,997	Icap PLC	658,808	534,456
106,690	International Power PLC	738,191	931,046
221,600	ITV PLC	518,168	200,076
2,145	Kazakhmys PLC	56,132	68,768
152,388	Man Group PLC	1,447,994	1,915,815
35,129	Prudential PLC	485,419	379,484
11,420	Punch Taverns PLC	185,863	72,473
23,402	Reckitt Benkiser PLC	1,309,060	1,208,556
20,746	Rio Tinto PLC	1,477,943	2,594,253
180,215	Royal & Sun Alliance Insurance Group PLC	339,435	457,123
146,042	Royal Bank of Scotland Group PLC	1,948,500	635,278
12,958	Royal Dutch Shell PLC Class B	541,702	531,157
38,943	Standard Chartered PLC	1,278,359	1,123,186
153,710	Tesco PLC	1,327,127	1,151,209
23,360	Unilever PLC	853,593	677,808
974,228	Vodafone Group PLC	3,062,851	2,927,689
31,362	Xstrata PLC	1,314,278	2,542,075
		31,388,931	29,708,340
	TOTAL FOREIGN EQUITIES	428,265,548	424,654,901
	TOTAL EQUITIES	1,007,270,617	1,190,770,316
Currency Options – 0.0%			
39,000,000	Canadian Dollar Put Options $1.058 Jul. 30, 2008	142,569	55,408
(39,000,000)	Canadian Dollar Written Call Options $0.98 Jul. 30, 2008	(142,569)	(38,543)
		–	16,865
BONDS AND DEBENTURES – 38.0%			
Federal Bonds – 6.5%			
82,110,000	Canada Housing Trust 4.65% due Sep. 15, 2009	83,484,825	83,317,570
43,500,000	Government of Canada 8.00% due Jun. 1, 2023	62,861,850	62,651,635
		146,346,675	145,969,205
Mortgage-Backed Securities – 3.5%			
9,000,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	9,064,420	8,929,260
14,000,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2039	13,846,873	13,140,820
15,000,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2039	14,931,211	14,175,300
14,000,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2039	13,807,840	13,058,080
12,000,000	Real Estate Asset Liquidity Trust 4.78% due Apr. 12, 2023	11,999,003	11,138,095
8,000,000	Schooner Trust 4.36% due Sep. 12, 2020	7,999,920	7,364,720
10,000,000	Schooner Trust 5.19% due Jun. 12, 2022	9,894,900	9,529,600
		81,544,167	77,335,875

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds – 8.6%			
20,610,000	British Columbia Municipal Financial Authority 4.60% due Apr. 23, 2018	20,530,033	20,470,634
20,150,000	Province of British Columbia 4.70% due Dec. 1, 2017	20,084,727	20,628,845
1,545,000	Province of Ontario 4.30% due Mar. 8, 2017	1,533,585	1,538,636
25,770,000	Province of Ontario 6.50% due Mar. 8, 2029	31,658,445	31,552,558
26,865,000	Province of Quebec 4.50% due Dec. 1, 2017	26,763,938	26,936,285
57,930,000	Province of Quebec 4.50% due Dec. 1, 2018	57,825,977	57,723,285
21,705,000	Quebec Hydro 11.00% due Aug. 15, 2020	34,499,414	34,324,478
		192,896,119	193,174,721
Corporate Bonds – 19.4%			
14,000,000	Bank of America Corporation 5.45% due Sep. 17, 2014	14,304,160	14,131,491
6,000,000	Bank of Montreal 5.45% due Jul. 17, 2017	5,951,580	6,025,661
14,000,000	Bank of Montreal 4.55% due Aug. 1, 2017	13,540,480	13,140,583
10,000,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	9,992,500	9,893,335
14,000,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	13,978,496	13,986,562
10,000,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	10,087,350	10,140,022
10,000,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	9,824,100	9,725,389
9,000,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	9,024,240	8,685,095
12,000,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	11,987,190	12,007,562
12,000,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	11,770,440	10,466,253
11,000,000	EnCana Corporation 4.30% due Mar. 12, 2012	10,945,830	10,802,755
5,000,000	EnCana Corporation 5.80% due Jan. 18, 2018	4,986,900	5,054,748
20,000,000	Finning International Inc. 6.02% due Jun. 1, 2018	20,048,450	20,067,980
22,500,000	General Electric Capital Canada Funding Company 5.73% due Oct. 22, 2037	22,427,990	21,019,347
18,000,000	Genesis Trust 4.00% due Mar. 15, 2010	17,907,335	17,828,386
14,000,000	Golden Credit Card Trust 4.25% due Feb. 15, 2011	13,662,180	13,831,756
10,500,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	11,054,545	11,431,267
11,000,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	11,483,170	13,149,450
20,000,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	20,117,240	20,271,687
18,000,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	17,861,820	17,901,325
18,000,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	17,957,100	17,889,405
12,000,000	Morgan Stanley 4.90% due Feb. 23, 2017	11,952,670	10,612,429
20,000,000	NAV Canada 4.71% due Feb. 24, 2016	19,989,770	20,041,966
12,800,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	12,897,860	13,122,018
18,000,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	18,008,398	17,968,850
20,000,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	19,922,510	19,631,588
20,000,000	Suncor Energy Inc. 5.80% due May 22, 2018	19,980,080	19,894,389
20,000,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	19,056,760	17,894,423
18,000,000	Toyota Credit Canada Inc. 5.05% due Jul. 27, 2012	18,113,990	18,394,589
20,000,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	19,478,801	19,063,350
		438,313,935	434,073,661
	TOTAL BONDS AND DEBENTURES	859,100,896	850,553,462
SHORT-TERM NOTES – 3.3%			
71,960,000	Government of Canada Treasury Bills 2.50% to 2.74% due from Sep. 4, 2008 to Oct. 16, 2008	71,412,535	71,529,887
240,000 (US)	Canadian Wheat Board Commercial Paper 1.95% to 1.96% due Jul. 7, 2008	242,905	244,696
1,575,000 (US)	Export Development Corporation Commercial Paper 2.00% due Jul. 3, 2008	1,596,322	1,606,161
		73,251,762	73,380,744
	TOTAL INVESTMENT PORTFOLIO	1,939,623,275	2,114,721,387
	OTHER ASSETS, LESS LIABILITIES – 5.5%		122,811,443
	TOTAL NET ASSETS – 100.0%		2,237,532,830

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Sep. 16, 2008	Canadian Dollar	4,349,496	British Pound	2,169,000	4,389,800	(40,304)
Sep. 16, 2008	Canadian Dollar	501,629	Hong Kong Dollar	3,819,000	501,361	267
Sep. 16, 2008	Canadian Dollar	218,995	New Zealand Dollar	288,000	221,249	(2,254)
Jul. 31, 2008	Canadian Dollar	117,000,000	U.S. Dollar	115,970,185	118,471,110	(1,471,110)
Sep. 16, 2008	Canadian Dollar	714,536	U.S. Dollar	698,000	713,395	1,141
Sep. 16, 2008	U.S. Dollar	698,000	Canadian Dollar	713,845	712,321	(432)
					125,009,236	(1,512,692)

The currency forward contracts outstanding at June 30, 2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Balanced Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Balanced Fund (the "Fund") is to provide a balance between earning income and obtaining capital growth over the long term. It invests primarily in a broad range of Canadian equity and fixed income securities. The Fund's asset mix will generally vary within the following ranges: 30-70% in equity securities and 30-70% in cash equivalent and fixed income securities. The portfolio advisor determines the asset mix based on its analysis of market conditions and how it expects each asset class to perform over the long term. The Fund can invest up to 30% of its assets in foreign securities anywhere in the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	204,192,280	9.1
Euro Dollar	36,254,096	1.6
British Pound	26,688,081	1.2
Japanese Yen	20,015,853	0.9
Swiss Franc	9,138,763	0.4
Australian Dollar	7,739,344	0.3
Norwegian Krone	2,468,562	0.1
Swedish Krona	2,034,108	0.1
Total	308,531,087	13.7

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $30,853,109 (approximately 1.4% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $12,970,940 (approximately 0.6% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	0	166,034,412	103,077,948	340,903,984	240,537,114	850,553,458

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	37.0	14.1
AA	31.0	11.8
A	28.5	10.8
BBB	3.5	1.3
Total	100.0	38.0

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $88,117,003 (approximately 3.9% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Tactical Asset Allocation Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$461,546,204	$454,427,961
Cash	599,764	584,801
Accrued investment income	1,566,068	1,542,697
Receivable for securities sold	5,240,890	–
Subscriptions receivable	268,546	253,062
Receivable for currency forward contracts	45,607	277,002
	469,267,079	457,085,523
LIABILITIES		
Payable for securities purchased	4,809,389	91,128
Distributions payable	23,324	328
Redemptions payable	303,531	343,856
Accrued expenses	809,809	800,730
Payable for futures contracts	84,560	108,293
	6,030,613	1,344,335
Net assets	$463,236,466	$455,741,188
NET ASSETS PER CLASS		
Class A Units	$463,140,845	$455,720,046
Advisor Class Units	$ 73,852	$ –
Class F Units	$ 21,769	$ 21,142
UNITS OUTSTANDING		
Class A Units	25,724,110	25,568,431
Advisor Class Units	4,131	–
Class F Units	1,195	1,169
NET ASSET VALUE PER UNIT		
Class A Units	$ 18.00	$ 17.82
Advisor Class Units	$ 17.88	$ –
Class F Units	$ 18.21	$ 18.08

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 3,849,084	$ 3,654,651
Interest	3,587,066	4,098,605
Capital gains distributions received	61,383	–
Securities lending	54,921	29,687
Foreign withholding taxes	(233,113)	(148,962)
	7,319,341	7,633,981
EXPENSES		
Management fees (note 4)	3,976,910	4,120,791
Audit fees	8,754	8,925
Independent Review Committee fees	1,428	801
Custodian fees	87,389	116,658
Filing fees	14,596	14,144
Legal fees	4,753	5,695
Unitholder reporting	44,284	33,643
Unitholder administration and service fees	454,650	575,133
	4,592,764	4,875,790
Absorbed expenses	(6,623)	(33,569)
	4,586,141	4,842,221
Net investment income (loss)	2,733,200	2,791,760
Net realized gain (loss) on investments sold	11,355,098	14,437,041
Net realized gain (loss) on foreign exchange	(519,645)	(112,435)
Transaction costs	(415,048)	(252,496)
Change in unrealized appreciation (depreciation) of investments	(5,612,877)	154,362
Change in unrealized appreciation (depreciation) of currency forward	(231,395)	140,288
Net gain (loss) on investments	4,576,133	14,366,760
Increase (decrease) in net assets from operations	$ 7,309,333	$17,158,520
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 7,306,816	$17,157,680
Advisor Class Units[+]	$ 2,130	$ –
Class F Units	$ 387	$ 840
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.28	$ 0.68
Advisor Class Units[+]	$ 0.87	$ –
Class F Units	$ 0.33	$ 0.74

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$455,720,046	$459,987,113
Class F Units	21,142	20,949
	455,741,188	460,008,062
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	7,306,816	17,157,680
Advisor Class Units[+]	2,130	–
Class F Units	387	840
	7,309,333	17,158,520
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(2,610,354)	(2,775,382)
Advisor Class Units[+]	(688)	–
Class F Units	(228)	(231)
	(2,611,270)	(2,775,613)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	30,541,058	41,440,723
Advisor Class Units[+]	71,950	–
Class F Units	300	50
Reinvested distributions		
Class A Units	2,582,951	2,748,441
Advisor Class Units[+]	460	–
Class F Units	228	231
Payments on redemption		
Class A Units	(30,399,672)	(42,962,487)
Class F Units	(60)	(387)
	2,797,215	1,226,571
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	7,420,799	15,608,975
Advisor Class Units[+]	73,852	–
Class F Units	627	503
	7,495,278	15,609,478
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	463,140,845	475,596,088
Advisor Class Units[+]	73,852	–
Class F Units	21,769	21,452
	$463,236,466	$475,617,540

[+] Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 67.5%			
CANADIAN EQUITIES – 48.8%			
Energy – 13.1%			
7,000	Addax Petroleum Corporation	274,214	344,120
18,400	Breaker Energy Ltd. Class A	115,920	230,368
8,200	Calfrac Well Services Ltd.	226,846	263,466
89,840	Canadian Natural Resources Ltd.	4,806,433	9,059,466
32,013	Celtic Exploration Ltd.	421,501	632,577
42,300	CHC Helicopter Corporation Class A	970,301	1,327,797
5,200	Crew Energy Inc.	41,071	96,044
20,800	Denison Mines Corporation	141,962	185,328
12,500	Duvernay Oil Corporation	351,261	777,250
126,600	EnCana Corporation	6,963,119	11,735,820
7,200	Galleon Energy Inc.	108,609	148,320
89,748	Iteration Energy Ltd.	416,199	740,421
54,600	Imperial Oil Ltd.	3,032,934	3,047,226
132,700	Nexen Inc.	4,252,652	5,367,715
5,700	Niko Resources Ltd.	460,047	556,263
17,800	Open Range Energy Corporation	81,324	141,688
28,300	Orleans Energy Ltd.	98,463	148,292
33,300	Paladin Resources Ltd.	140,745	207,459
16,500	Pason Systems Inc.	188,563	271,260
29,200	Petro Andina Resources Inc.	343,461	327,040
102,700	Petro-Canada	4,256,763	5,768,659
19,100	Petrobank Energy & Resources Ltd.	1,024,583	1,011,536
42,200	*Phoenix Coal Inc. Warrants Jun. 27, 2010	–	–
31,300	Proex Energy Ltd.	395,508	718,648
59,400	Savanna Energy Services Corporation	1,111,418	1,395,900
12,800	Shawcor Ltd. Class A	382,899	460,800
38,000	Storm Exploration Inc.	351,914	728,080
149,500	Suncor Energy Inc.	5,464,858	8,833,954
241,500	Talisman Energy Inc.	4,021,426	5,453,070
13,900	Trican Well Service Ltd.	214,674	351,670
74,700	UTS Energy Corporation	351,052	444,465
14,200	Westernzagros Resources Ltd.	31,240	41,748
		41,041,960	60,816,450
Materials – 9.9%			
26,000	Agnico-Eagle Mines Ltd.	1,244,436	1,973,920
62,700	Agrium Inc.	2,832,443	6,870,665
31,200	Anatolia Minerals Development	154,727	106,392
25,000	Andina Minerals Inc.	108,750	94,250
13,700	Anvil Mining Ltd.	171,283	131,520
39,700	Aurelian Resources Inc.	297,906	223,908
162,900	Barrick Gold Corporation	6,760,229	7,405,433
8,400	Bear Creek Mining Corporation	60,882	41,580
46,900	Cameco Corporation	1,878,189	2,049,999
78,600	Cascades Inc.	897,528	524,262
186,100	Cathay Forest Products Corporation	188,049	202,849
72,200	Chariot Resources Ltd.	50,944	67,868
8,800	Detour Gold Corporation	148,045	216,216
67,800	Domtar Corporation	887,176	354,594
107,200	Eastern Platinum Ltd.	289,874	291,584
25,600	Eldorado Gold Corporation	174,970	222,464
61,300	Equinox Minerals Ltd.	301,582	272,172
6,900	FNX Mining Company Inc.	169,723	166,290
80,600	Gerdau AmeriSteel Corporation	840,846	1,587,820
54,100	Goldcorp Inc.	1,622,927	2,469,665
52,000	Harry Winston Diamond Corporation	2,030,634	1,512,160
143,900	Lundin Mining Corporation	1,544,685	880,668
5,000	Katanga Mining Ltd.	71,764	65,100
22,000	Kodiak Exploration Ltd.	66,400	56,320
16,300	Metallica Resources Inc.	108,311	110,514
22,000	Migao Corporation	166,734	185,240
7,900	Northern Dynasty Minerals Ltd.	96,615	64,780
54,400	Nova Chemicals Corporation	2,088,572	1,365,440
56,400	Oceangold Corporation	136,113	47,940
29,000	Osisko Mining Corporation	169,053	124,990
45,700	Peak Gold Ltd.	34,765	34,732
32,900	Potash Corporation of Saskatchewan Inc.	3,318,844	7,730,512
27,500	Red Back Mining Inc.	236,577	235,950
40,700	Russel Metals Inc.	969,683	1,229,140
145,100	Sherritt International Corporation	1,585,410	2,225,834
22,900	Sherwood Copper Corporation	122,338	119,538
23,600	Shore Gold Inc.	88,281	63,012
18,700	Silver Wheaton Corporation	275,089	275,825
17,000	Sino-Forest Corporation Class A	298,609	303,450
81,500	Teck Cominco Ltd. Class B	3,175,196	3,988,610
7,000	Thompson Creek Metals Company Inc.	100,055	138,740
		35,764,237	46,031,946
Industrials – 2.9%			
22,500	Aecon Group Inc.	350,096	362,700
268,200	Allen-Vanguard Corporation	1,791,393	659,772
259,900	Bombardier Inc. Class B	1,432,147	1,905,067
44,900	CAE Inc.	491,570	517,248
88,000	Canadian National Railway Company	4,158,348	4,310,240
46,700	Canadian Pacific Railway Ltd.	2,754,664	3,148,047
12,400	Finning International Inc.	345,109	316,076
11,300	FirstService Corporation	241,212	164,980
32,000	Fortress Paper Ltd.	200,000	321,280
38,800	Horizon North Logistics Inc.	114,419	125,712
3,000	Macdonald Dettwiler & Associates Ltd.	142,147	113,430
65,000	New Flyer Industries Inc.	754,376	797,550
12,800	Seacliff Construction Corporation	166,400	165,248
8,200	SNC-Lavalin Group Inc.	330,021	451,656
6,500	Toromont Industries Ltd.	161,572	177,385
		13,433,474	13,536,391
Consumer Discretionary – 4.1%			
2,200	Astral Media Inc. Class A	88,000	70,422
4,100	Cervus LP	76,316	100,737
29,000	Canadian Tire Corporation Ltd. Class A	2,044,957	1,533,520
10,300	Cogeco Cable Inc.	389,912	380,070
48,500	Corus Entertainment Inc. Class B	1,036,122	880,275
11,300	Gamehost Income Fund	148,124	143,510
11,500	Gildan Activewear Inc.	377,613	298,655
18,200	Great Canadian Gaming Corporation	248,184	165,256
42,480	Magna International Inc. Class A	3,281,909	2,577,686
150,400	Rogers Communications Inc. Class B	4,741,848	5,949,824
213,500	Rona Inc.	3,718,844	2,615,375
127,400	Thomson Reuters Corporation	5,048,937	4,173,624
		21,200,766	18,888,954
Consumer Staples – 1.3%			
102,200	Alimentation Couche-Tard Inc. Class B	2,246,911	1,392,986
6,200	Alliance Grain Traders Income Fund	96,100	96,782
7,100	Atrium Innovations Inc.	120,969	113,387
40,100	Saputo Inc.	1,076,743	1,162,098
22,300	Saskatchewan Wheat Pool Inc.	255,808	311,754
22,200	Shoppers Drug Mart Corporation	1,098,427	1,240,536
82,500	Maple Leaf Foods Inc.	1,084,909	901,725
37,112	Metro Inc. Class A	1,050,380	899,595
		7,030,247	6,118,863
Health Care – 0.1%			
14,600	Imris Inc.	72,270	58,838
30,000	Methylgene Inc.	75,000	67,500

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Health Care (cont'd)			
46,000	Patheon Inc.	150,467	189,060
22,400	Theratechnologies Inc.	219,772	105,280
		517,509	420,678
Financials – 11.1%			
24,600	Bank of Montreal	1,066,113	1,043,040
190,800	Bank of Nova Scotia, The	9,040,520	8,904,636
75,400	Brookfield Asset Management Inc. Class A	2,386,293	2,495,740
107,950	Canadian Imperial Bank of Commerce	8,137,261	6,036,563
11,900	Canadian Western Bank	308,846	294,525
400	E-L Financial Corporation Ltd.	215,000	216,008
10,900	Franco-Nevada Corporation	191,755	268,031
3,400	Great-West Lifeco Inc.	111,255	99,076
2,200	IGM Financial Inc.	97,869	92,884
15,100	Industrial Alliance Insurance and Financial Services	553,653	517,175
3,300	ING Canada Inc.	115,269	117,216
181,000	Manulife Financial Corporation	5,871,686	6,409,210
6,900	Power Corporation of Canada	255,496	213,555
214,100	Royal Bank of Canada	8,856,517	9,737,268
7,500	Saxon Financial Inc.	141,308	93,900
9,400	S&P/TSX 60 Index Participation Fund	845,624	809,904
49,800	Semcan Inc.	47,310	46,812
24,900	*Semcan Inc. Warrants Oct. 21, 2009	–	–
76,300	Sun Life Financial Services of Canada Inc.	3,780,703	3,185,525
19,923	TMX Group Inc.	889,900	837,164
55,900	Tonbridge Power Inc.	16,770	15,932
157,700	Toronto-Dominion Bank	8,973,348	10,103,839
		51,902,496	51,538,003
Information Technology – 1.6%			
27,800	CGI Group Inc. Class A	275,113	282,448
5,000	Constellation Software Inc.	116,786	138,750
39,100	Exfo Electro-Optical Engineering Inc.	171,289	176,732
28,000	Miranda Technologies Inc.	261,800	214,480
41,588	Nortel Networks Corporation	–	347,260
11,400	Open Text Corporation	327,245	371,982
20,200	Q9 Networks Inc.	250,022	217,352
17,000	Ruggedcom Inc.	197,250	229,670
42,500	Research in Motion Ltd.	3,729,533	5,086,825
137,500	Zarlink Semiconductor Inc.	634,012	122,375
		5,963,050	7,187,874
Telecommunication Services – 1.8%			
117,541	BCE Inc.	4,101,679	4,178,583
2,391	Bell Aliant Regional Communications	94,216	69,530
12,100	Evertz Technologies Ltd.	244,279	236,071
38,800	Telus Corporation Non-Voting	1,364,305	1,582,264
58,900	TransCanada Corporation	2,187,748	2,317,715
		7,992,227	8,384,163
Utilities – 0.2%			
5,500	Fortis Inc.	151,420	149,325
23,100	TransCanada Corporation	864,632	908,985
		1,016,052	1,058,310
Income Trust Units – 2.7%			
74,500	Aeroplan Income Fund	1,413,766	1,267,245
5,300	AG Growth Income Fund Trust	151,425	161,120
14,200	AltaGas Income Trust	338,548	363,662
17,100	Armtec Infrastructure Income Fund	391,464	434,340
25,500	Boardwalk Real Estate Investment Trust	936,619	967,215
21,100	Calloway Real Estate Investment Trust	424,821	410,606
32,200	Canadian Apartment Properties Real Estate Investment Trust	433,820	557,704
30,800	Canadian Oil Sands Trust	1,331,156	1,684,452
13,100	Chartwell Seniors Housing Real Estate Investment	134,180	119,079
27,200	CI Financial Income Fund	629,690	598,400
36,400	CML Healthcare Income Fund	575,925	518,700
40,200	Enerflex Systems Income Fund	535,250	564,810
3,200	Enerplus Resources Fund	117,192	150,720
3,000	GMP Capital Trust Units	57,650	47,700
124,400	Jazz Air Income Fund	919,319	702,860
22,700	Keyera Facilities Income Fund	382,006	502,805
3,900	Labrador Iron Ore Royalty Income Fund	149,894	217,230
33,200	Progress Energy Trust	373,145	483,060
28,800	Penn West Energy Trust	676,820	989,856
15,900	RioCan Real Estate Investment Trust	307,112	314,820
5,100	Trinidad Energy Services Income Trust	77,723	72,879
3,700	Vermilion Energy Trust	119,725	163,725
28,000	Westshore Terminals Income Fund	507,867	553,560
53,800	Yellow Pages Income Fund	676,491	475,592
		11,661,608	12,322,140
	TOTAL CANADIAN EQUITIES	197,523,626	226,303,772
FOREIGN EQUITIES – 18.7%			
United States – 10.2%			
3,700	Abbott Laboratories	194,315	199,474
3,400	Activision Inc	91,192	118,143
2,200	Agco Corporation	121,623	117,349
2,600	AK Steel Holding Corporation	129,963	182,837
2,300	Allstate Corporation	112,132	106,756
3,200	Alpha Natural Resources Inc.	198,075	339,814
9,100	Altria Group Inc.	175,962	190,448
5,200	Amgen Inc.	258,142	250,112
10,200	Amkor Technology Inc.	124,929	106,422
6,300	Anadarko Petroleum Corporation	393,089	480,874
3,300	Analog Devices Inc.	111,420	106,860
4,700	Aon Corporation	223,730	220,023
2,400	Apache Corporation	254,874	340,067
4,900	Apple Computer Inc.	739,539	836,782
2,800	Applera Corporation – Applied Biosystems Group	93,412	95,267
13,200	Applied Materials Inc.	269,663	256,733
3,400	Arrow Electronics Inc.	97,629	106,388
4,400	Asbury Automotive Group	101,200	57,665
13,725	AT&T Inc.	512,774	470,196
2,900	Avnet Inc.	108,320	80,479
3,700	Bally Technologies Inc.	139,032	127,511
15,656	Bank of America Corporation	721,372	379,548
5,000	Bank of New York Company Inc.	226,052	192,812
2,900	Big Lots Inc.	92,547	92,221
1,300	Biogen Idec Inc.	81,444	74,103
6,100	Boeing Company	463,468	408,807
2,300	Boston Properties Inc.	216,777	211,424
3,900	Cambrex Corporation	41,583	23,349
2,300	Cephalon Inc.	156,365	155,219
900	CF Industries Holdings Inc.	91,144	140,054
11,970	Chevron Corporation	1,068,733	1,208,976
11,000	Chiquita Brands International Inc.	254,378	170,078
9,000	Chubb Corporation	467,283	449,867
9,000	CIGNA Corporation	442,035	324,481
4,100	Cimarex Energy Company	225,085	290,411
21,800	Cisco Systems Inc.	569,785	517,158
4,000	Citigroup Inc.	101,644	68,129
9,300	Coca-Cola Enterprises Inc.	226,800	164,091
3,200	Computer Sciences Corporation	166,930	152,675
14,100	ConAgra Foods Inc.	329,008	277,257
14,000	ConocoPhillips	1,109,871	1,344,756
2,500	Convergys Corporation	61,879	37,889
2,100	CSX Corporation	122,043	134,140

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
2,400	Cummins Inc.	123,194	160,083
3,800	CVS Caremark Corporation	155,120	153,164
6,800	Deere & Company	563,540	500,244
3,700	Devon Energy Corporation	351,128	452,948
4,300	Directv Group Inc.	113,395	112,534
17,600	Dow Chemical Company	698,810	625,924
2,400	Dresser-Rand Group Inc.	82,801	95,487
34,700	Duke Energy Corporation	633,152	614,379
2,500	Eastman Kodak Company	42,579	36,691
5,000	eBay Inc.	157,449	139,369
5,600	Eli Lilly & Company	278,601	263,240
300	EOG Resources Inc.	40,592	40,143
4,300	Expedia Inc.	87,822	80,607
20,200	Exxon Mobil Corporation	1,669,952	1,809,674
6,500	Fifth Third Bancorp	137,445	67,487
6,600	FirstEnergy Corporation	483,483	553,652
2,600	Gannett Company Inc.	84,386	57,463
32,300	General Electric Company	1,221,856	875,617
2,700	General Mills Inc.	163,654	167,124
2,600	Genzyme Corporation	188,425	190,978
1,800	Gilead Sciences Inc.	98,806	97,207
2,700	Goldman Sachs Group Inc.	499,120	480,305
900	Google Inc.	503,171	483,205
4,900	Halliburton Company	228,582	265,067
4,600	Herbalife Ltd.	188,052	181,797
1,700	Hess Corporation	212,819	218,774
9,500	Hewitt Associates Inc. Class A	366,813	370,702
26,700	Hewlett-Packard Company	1,087,252	1,201,444
4,700	Home Depot Inc.	127,647	111,977
11,900	Honeywell International Inc.	688,088	609,510
3,100	Ingersoll Rand Company Class A	137,585	118,342
11,300	Ingram Micro Inc. Class A	197,714	204,105
25,300	Intel Corporation	579,876	554,258
8,200	International Business Machines Corporation	907,500	989,446
300	Intuitive Surgical Inc.	85,961	81,327
6,200	Invacare Corporation	113,069	129,250
12,400	Invitrogen Corporation	518,969	496,511
16,000	Johnson & Johnson	1,040,501	1,048,782
19,200	JPMorgan Chase & Company	876,951	671,860
8,600	KBR Inc.	268,190	305,674
2,200	Lehman Brothers Holdings Inc.	115,871	44,090
2,400	Lockheed Martin Corporation	248,421	241,251
4,700	Magellan Health Services Inc.	174,079	160,583
5,000	Masco Corporation	94,288	80,164
1,100	Massey Energy Company	98,193	105,065
200	Mastercard Inc. Class A	40,536	54,161
12,150	McDonald's Corporation	681,533	695,921
11,600	Medco Health Solutions Inc.	537,261	558,060
6,000	Merck & Company Inc.	297,079	230,395
5,400	Metlife Inc.	316,919	290,022
31,300	Microsoft Corporation	939,033	878,197
2,300	Monsanto Company	278,840	295,871
1,400	Mosaic Co.,The	173,701	206,597
5,000	Nash-Finch Company	202,806	174,556
5,800	National Fuel Gas Company	347,516	351,612
800	National Oilwell Varco Inc.	50,054	72,388
7,100	NCR Corporation	154,551	182,408
1,600	Noble Energy Inc.	123,999	163,787
3,300	Northern Trust Corporation	229,621	230,784
11,700	Northrop Grumman Corporation	919,483	798,305
2,700	Occidental Petroleum Corporation	203,243	247,229
15,600	Oracle Corporation	320,795	334,119
2,500	Parker Hannifin Corporation	203,477	181,567
8,700	Partnerre Ltd.	673,536	613,398
3,600	Patterson-UTI Energy Inc.	105,834	131,555
2,900	PerkinElmer Inc.	70,323	82,372
7,200	Perrigo Company	238,125	231,460
36,700	Pfizer Inc.	951,393	653,158
7,300	Philip Morris International Inc.	392,695	367,200
9,400	Platinum Underwriters Holdings	340,346	312,633
12,100	Procter & Gamble Company	823,548	749,331
1,100	ProLogis	69,623	60,874
4,100	R.R. Donnelley & Sons Company	121,335	124,151
5,000	RadioShack Corporation	100,475	62,571
5,300	Ralcorp Holdings Inc.	272,879	266,543
9,700	Raytheon Company	627,418	555,888
14,200	Rent-A-Center Inc.	290,993	297,906
2,600	Ryder System Inc.	155,161	182,280
2,600	Schlumberger Ltd.	265,769	284,637
6,800	School Specialty Inc.	206,935	200,500
1,400	Simon Property Group Inc.	135,474	128,350
18,100	Sprint Nextel Corporation	228,464	175,002
7,900	Stone Energy Corporation	403,062	531,050
6,800	Sybase Inc.	209,242	204,037
11,200	Symantec Corporation	189,769	221,032
16,400	Synovus Financial Corporation	190,565	146,021
10,200	Tech Data Corporation	336,629	344,130
6,000	TECO Energy Inc.	128,990	131,322
3,900	Tecumseh Products Company Class A	131,107	118,254
2,700	Telephone And Data Systems Inc.	153,314	129,838
3,300	Terra Industries Inc.	116,588	165,927
7,300	Texas Instruments Inc.	209,607	209,361
16,600	Time Warner Inc.	275,323	249,722
20,900	Travelers Companies Inc.	1,065,902	923,617
3,100	Tupperware Corporation	113,801	108,193
2,200	Tyco Electronics Ltd.	84,130	80,372
2,200	Tyco International Ltd.	102,626	89,841
4,000	U.S. Bancorp	128,545	113,413
4,600	Union Pacific Corporation	289,720	353,601
19,100	United Online Inc.	252,998	193,827
9,900	United Technologies Corporation	717,248	622,480
19,600	Verizon Communications Inc.	743,059	706,447
12,600	Wal-Mart Stores Inc.	632,614	720,797
8,000	Walt Disney Company	263,052	254,240
900	Walter Industries Inc.	87,056	99,676
6,100	Warnaco Group Inc./The	239,031	274,114
2,800	WellPoint Inc.	138,759	135,818
2,400	Western Digital Corporation	70,572	84,521
4,700	WGL Holdings Inc.	169,348	166,527
800	Whiting Petroleum Corporation	64,423	86,398
7,100	Williams Companies Inc.	242,512	291,679
15,500	Xerox Corporation	256,809	214,046
		48,519,317	47,251,238
Australia – 0.5%			
17,582	Amcor Ltd.	103,721	86,716
83,700	Andrea Resources Ltd.	129,209	119,691
27,034	BlueScope Steel Ltd.	256,739	299,256
44,617	Boral Ltd.	253,999	246,107
18,135	Caltex Australia Ltd.	238,622	231,842
34,463	Iluka Resources Ltd.	135,655	158,530
23,745	Onesteel Ltd.	151,774	172,516
309,784	Oxiana Ltd	1,027,895	790,179
33,929	Paperlinx Ltd.	69,042	56,812
1,338	Sims Group Ltd.	45,427	54,624
		2,412,083	2,216,273

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Austria – 0.0%			
553	Voest Alpine AG	23,002	46,261
Bermuda – 0.2%			
6,600	Arch Capital Group Ltd.	451,493	436,123
11,100	Aspen Insurance Holdings Ltd.	300,502	267,965
1,200	Bunge Ltd.	119,615	131,689
		871,610	835,777
Belgium – 0.2%			
3,150	Agfa Gevaert NV	38,560	20,758
397	Bekaert NV	60,471	62,287
4,387	Belgacom SA	166,000	191,823
1,559	Compagnie Maritime Belge SA	120,901	96,558
5,491	Euronav SA	186,335	271,146
1,550	Solvay SA	271,483	205,591
270	UCB SA	10,948	10,129
		854,698	858,292
Brazil – 0.2%			
17,800	Centrais Eletricas Brasilier	281,543	334,494
10,600	Companhia Paranaense De Energia-Copel PFB	191,112	218,350
6,400	Votorantim Celulose e Papel SA	203,842	174,679
		676,497	727,523
Cayman Islands – 0.1%			
11,100	Fresh Del Monte Produce Inc.	359,629	266,833
92,000	Hutchison Telecommunications	128,055	133,121
		487,684	399,954
Denmark – 0.0%			
8,000	GN Store Nord A/S	43,326	38,933
Finland – 0.1%			
11,107	Nokia Oyj	311,218	277,520
2,632	Stora Enso Oyj Class R	25,204	24,940
11,237	Tietoenator Oyj	257,201	238,256
		593,623	540,716
France – 0.7%			
25,144	Air France	1,264,055	611,183
273	Casino Guichard-Perrachon SA Pref.	26,064	23,505
5,393	France Telecom SA	162,942	161,478
3,424	Lafarge SA	601,126	534,286
1,856	PSA Peugeot SA	138,342	101,928
557	Technip-Coflexip SA	44,798	52,236
19,634	Total SA	1,588,242	1,707,286
		3,825,569	3,191,902
Germany – 0.8%			
16,210	Altana AG	427,698	285,066
11,420	BASF AG	722,223	798,718
5,125	Heidelberger Druckmaschinen AG	149,272	106,928
6,064	Salzgitter AG	927,517	1,129,303
19,473	Thyssenkrupp AG	890,735	1,243,462
1,289	Volkswagen AG Non-voting	104,721	189,433
		3,222,166	3,752,910
Greece – 0.0%			
21,540	Technical Olympic SA	132,440	20,755
Hong Kong – 0.5%			
61,000	Cheung Kong Infrastructure	237,036	263,072
79,000	CLP Holdings Ltd.	582,110	689,930
145,200	Hong Kong & China Gas Co. Ltd.	392,836	355,195
121,000	Hongkong Electric Holdings Ltd.	673,232	737,518
14,000	Orient Overseas International Ltd.	108,146	71,030
1,788,000	Solomon Systech International Ltd.	388,272	87,495
		2,381,632	2,204,240
Italy – 0.4%			
38,989	Eni SpA	1,368,393	1,480,883
1,867	Finmeccanica SpA	56,863	49,740
7,763	Parmalat SpA	21,480	20,695
2,324	Saipem SpA	95,902	111,041
52,287	Terna-Rete Elettrica Nazionale SpA	199,024	225,479
		1,741,662	1,887,838
Japan – 0.7%			
77,000	Asahi Kasei Corporation	498,421	412,248
4,600	Fuji Photo Film Co. Ltd.	215,110	160,696
12,000	Hino Motors Ltd.	84,340	75,725
1,000	Hitachi Cable Ltd.	6,819	3,841
6,000	Kajima Corporation	17,553	21,342
3,000	Kobe Steel Ltd.	8,304	8,741
2,300	Komori Corporation	51,285	42,700
14,000	Kuraray Company Ltd.	156,978	170,708
24,000	Mitsubishi Electric Corporation	244,375	264,811
118,000	Mitsubishi Materials Corporation	495,272	513,737
13,000	Mitsubishi Rayon Co. Ltd.	41,050	41,772
44,000	Mitsui Chemicals Inc.	334,955	220,797
15,000	Mitsui Mining & Smelting Co. Ltd.	49,734	45,039
26,000	Nippon Mining Holdings Inc.	141,498	166,500
7,000	Nishimatsu Construction Co., Ltd.	24,060	18,718
78,000	Nisshin Steel Co. Ltd.	387,056	270,049
2,800	Sumco Corporation	55,767	63,017
18,000	Sumitomo Metal Industries Ltd.	66,324	80,593
53,000	Sumitomo Osaka Cement Company Ltd.	97,970	116,877
13,540	Takefuji Corporation	375,332	191,546
26,000	Tokyo Steel Mfg Co Ltd.	388,502	305,964
19,000	Uniden Corporation	165,710	99,356
		3,906,415	3,294,777
Netherlands – 0.5%			
6,433	Akzo Nobel NV	518,511	449,224
9,875	ArcelorMittal	774,755	994,293
18,579	European Aeronautic Defence & Space Company	660,104	355,677
14,033	James Hardie Industries NV	59,834	58,068
7,912	Koninklijke DSM NV	376,360	471,892
		2,389,564	2,329,154
New Zealand – 0.1%			
21,792	Fletcher Building Ltd.	228,587	107,440
5,716	Telecom Corporation of New Zealand Ltd. ADR	81,769	78,760
25,488	Telecom Corporation of New Zealand Ltd.	71,521	70,473
		381,877	256,673
Norway – 0.0%			
1,944	Frontline Ltd.	87,909	138,954
26,300	Norske Skogindustrier ASA	229,971	120,479
		317,880	259,433
Pakistan – 0.1%			
264,300	Oil & Gas Development Co. Ltd.	538,658	491,486
Russia – 0.0%			
774	Lukoil Oil Company ADR	81,136	77,835

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Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Singapore – 0.2%			
71,000	Neptune Orient Lines Ltd.	151,038	172,270
53,200	Singapore Airlines Ltd.	728,033	587,183
11,000	Singapore Petroleum Co. Ltd.	48,216	54,201
		927,287	813,654
Spain – 0.0%			
624	Aguas De Barcelona	20,494	19,461
Sweden – 0.1%			
65,400	Ericsson LM Class B	620,416	688,341
100	SAS AB	2,480	515
		622,896	688,856
Switzerland – 0.0%			
2,006	Micronas Semiconductor	47,941	14,413
United Kingdom – 3.1%			
10,895	Alliance Leicester PLC	91,973	64,871
47,859	BAE Systems PLC	436,872	429,622
99,304	Barclays PLC	902,427	586,347
99,304	Barclays PLC Rights Jul. 17, 2008	–	4,741
47,433	Barratt Developments PLC	356,099	54,849
12,256	Billiton PLC	417,772	480,112
12,612	Bovis Homes Group PLC	200,436	86,586
159,848	BP PLC	1,903,927	1,891,314
187,489	British Airways PLC	1,706,976	813,456
58,905	British Energy PLC	624,572	849,308
16,993	British Land Company PLC	301,975	242,954
30,659	Brixton PLC	231,973	149,487
140,547	BT Group PLC	705,157	569,774
101,770	Centrica PLC	728,580	640,322
5,224	Cookson Group PLC	85,385	66,232
6,846	CSR PLC	47,116	37,181
62,588	Dixons Group PLC	87,042	56,172
131,985	FKI PLC	131,643	223,833
52,962	GKN PLC	361,833	239,442
12,006	Hammerson PLC	304,542	216,446
72,996	HBOS PLC	1,161,624	407,470
29,198	HBOS PLC Rights Jul. 18, 2008	–	6,376
5,682	Home Retail Group PLC	24,785	25,023
38,335	HSBC Holdings PLC	633,838	602,838
35,581	Mondi PLC	339,491	212,856
29,738	National Grid PLC	499,380	397,464
39,744	Persimmon PLC	517,168	253,564
26,284	Punch Taverns PLC	166,707	166,802
33,538	Rexam PLC	270,390	263,540
4,869	Rio Tinto PLC	503,087	608,860
1,259	Rolls-Royce Group PLC	11,715	8,719
112,806	*Rolls-Royce Group B Share Entitlement	–	–
189,612	Royal Bank of Scotland Group PLC	1,800,825	824,807
13,333	Royal Dutch Shell PLC Class A	528,067	558,139
34,016	Royal Dutch Shell PLC Class B	1,347,305	1,394,339
27,556	Sainsbury (J) PLC	194,614	177,863
4,126	Stagecoach Group PLC	16,231	23,398
7,786	Tate & Lyle PLC	66,877	62,764
153,661	Taylor Wimpey PLC	1,102,779	192,275
820	Travis Perkins PLC	31,970	8,912
17,598	Trinity Mirror PLC	110,226	38,896
54,082	Wolseley PLC	535,649	410,099
		19,489,028	14,348,053
	TOTAL FOREIGN EQUITIES	94,508,485	86,566,407
	TOTAL EQUITIES	292,032,111	312,870,179

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 20.9%			
Federal Bonds – 1.6%			
80,000	Canada Housing Trust		
	4.10% due Dec. 15, 2008	80,558	80,371
4,401,000	Government of Canada		
	4.25% due Jun. 1, 2018	4,547,860	4,553,792
1,044,000	Government of Canada		
	5.00% due Jun. 1, 2037	1,190,991	1,205,277
1,671,000	Government of Canada		
	Stripped Coupon due Jun. 1, 2012	1,409,321	1,458,766
		7,228,730	7,298,206
Mortgage-Backed Securities – 1.0%			
2,090,000	Claregold Trust		
	5.07% due Jun. 15, 2044	1,998,210	2,048,952
1,164,000	Mansfield Trust		
	6.57% due Nov. 15, 2025	975,447	1,182,740
699,000	Real Estate Asset Liquidity Trust		
	5.20% due Mar. 12, 2046	671,271	690,648
901,000	Schooner Trust		
	3.97% due Sep. 12, 2020	764,107	861,861
		4,409,035	4,784,201
Provincial Bonds – 3.6%			
904,000	Hydro-Quebec		
	5.00% due Feb. 15, 2045	911,513	928,844
8,467,000	Hydro-Quebec		
	Stripped Coupon due Aug. 15, 2035	2,127,793	2,180,523
62,000	Province of New Brunswick		
	4.65% due Sep. 26, 2035	63,164	60,476
227,000	Province of New Brunswick		
	4.55% due Mar. 26, 2037	226,122	217,774
38,000	Province of New Brunswick		
	4.80% due Sep. 26, 2039	38,343	37,894
182,000	Province of Newfoundland		
	4.50% due Apr. 17, 2037	180,873	173,489
1,669,000	Province of Ontario		
	4.50% due Mar. 8, 2015	1,699,810	1,698,852
1,161,000	Province of Ontario		
	4.20% due Mar. 8, 2018	1,127,517	1,139,003
1,081,000	Province of Ontario		
	5.60% due Jun. 2, 2035	1,188,068	1,220,149
1,523,000	Province of Ontario		
	4.70% due Jun. 2, 2037	1,519,716	1,512,454
655,000	Province of Ontario		
	Stripped Coupon due Jun. 2, 2012	528,159	559,098
878,000	Province of Ontario		
	Stripped Coupon due Jun. 2, 2013	694,849	718,581
540,000	Province of Ontario		
	Stripped Coupon due. Jun. 22, 2026	224,861	225,150
865,000	Province of Ontario		
	Stripped Coupon due Dec. 2, 2012	700,408	723,820
6,015,000	Province of Quebec		
	Stripped Coupon due Jun. 1, 2013	4,822,228	4,920,114
412,000	Province of Quebec		
	5.00% due Dec. 1, 2038	422,683	422,361
		16,476,107	16,738,582
Corporate Bonds – 14.4%			
729,000	AltaLink LP		
	5.02% due Nov. 21, 2012	728,280	724,595
358,107	Arrow Lakes Power Corporation		
	5.39% due Mar. 31, 2015	364,339	372,323
269,000	Bank of Montreal		
	5.18% due Jun. 10, 2015	268,876	267,677
2,563,000	Bank of Montreal Capital Trust		
	5.75% due Sep. 26, 2022	2,553,230	2,574,417

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Market Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
1,364,000	BCIMC Realty Corporation 5.25% due Sep. 19, 2012	1,362,336	1,370,576
160,000	BCIMC Realty Corporation 5.65% due Jan. 5, 2018	159,733	159,380
94,000	Bear Stearns Companies Inc. 4.35% due Jul. 20, 2012	87,593	89,304
777,000	Brascan Corporation 5.95% due Jun. 14, 2035	703,809	589,652
252,184	Brilliant Power Funding Corporation 8.93% due May 31, 2026	371,521	333,200
713,000	Brookfield Asset Management Inc. 5.29% due Apr. 25, 2017	629,493	629,437
655,000	Brookfield Power Corporation 5.25% due Nov. 5, 2018	606,694	576,376
560,000	Brookfield Power Corporation 5.84% due Nov. 5, 2036	541,310	446,948
1,660,000	Can Rev Auto Floor 5.68% due Nov. 15, 2012	1,658,716	1,619,688
2,281,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	2,267,229	2,278,811
1,062,000	Canadian Imperial Bank of Commerce (callable) 5.15% due Jun. 6, 2018-(2013)	1,060,471	1,047,613
340,000	Canadian Tire Corporation Ltd. 6.32% due Feb. 24, 2034	364,589	311,663
837,000	Canadian Tire Corporation Ltd. 5.61% due Sep. 4, 2035	775,140	692,980
584,000	CHIP Mortgage Trust 5.61% due May 2, 2011	584,000	578,159
312,000	Citigroup Finance Canada Inc. 4.54% due May 16, 2013	304,771	297,652
288,000	Citigroup Finance Canada Inc. 5.50% due May 21, 2013	287,603	283,782
1,211,000	Citigroup Finance Canada Inc. 5.37% due Mar. 6, 2036	1,081,619	928,460
119,000	Citigroup Inc. 4.63% due Jan. 17, 2017	108,511	105,956
181,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	161,242	157,866
418,000	Column Canada 4.93% due Sep. 15, 2016	418,962	397,449
69,000	Countrywide Financial Corporation 6.25% due May 15, 2016	54,350	62,280
1,400,000	Credit Agricole SA 5.50% due Aug. 11, 2016	1,358,158	1,193,253
160,551	Data Centres Trust Series A 7.23% due Sep. 10, 2014	177,062	169,122
320,000	Domtar, Inc. 5.38% due Dec. 1, 2013	290,851	292,915
181,000	Enterprise Rent A Car Canada Finance Ltd. 5.70% due Feb. 26, 2021	178,073	172,089
830,000	ERAC Canada Finance Ltd. 5.38% due Feb. 26, 2016	803,601	803,459
1,719,000	General Electric Capital Canada Funding Company 5.73% due Oct. 22, 2037	1,735,040	1,605,878
1,050,000	General Motors Acceptance Corporation of Canada Ltd. 5.60% due Jan. 18, 2010	951,972	939,311
850,000	General Motors Acceptance Corporation of Canada Ltd. 5.30% due Sep. 1, 2009	783,216	779,112
580,000	Golden Credit Card Trust 5.42% due Apr. 15, 2013	580,000	591,112
509,000	Goldman Sachs 6.75% due Oct. 1, 2037	501,567	474,815
913,000	Goldman Sachs Group Inc., The 5.20% due Apr. 19, 2017	860,893	830,635
500,000	Great-West Lifeco Inc. 5.69% due Jun. 21, 2017	472,500	461,239

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
76,000	Greater Toronto Airports Authority 4.85% due Jun. 1, 2017	74,235	74,806
768,000	Greater Toronto Airports Authority 7.05% due Jun. 12, 2030	796,394	907,667
99,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	104,694	118,345
650,000	Greater Toronto Airports Authority 6.47% due Feb. 2, 2034	727,760	728,168
30,000	HSBC Bank of Canada 5.31% due Oct. 12, 2010	29,997	30,369
611,000	HSBC Bank of Canada 4.80% due Apr. 10, 2017	599,554	567,305
792,000	HSBC Bank of Canada 4.94% due Mar. 16, 2021	763,686	756,208
590,000	HSBC Bank USA NA 7.00% due Jan. 15, 2039	594,446	607,727
100,000	Hutchison Whampoa Ltd. 4.63% due Sep. 21, 2016	134,787	138,950
371,000	Janus Capital Group Inc. 6.70% due Jun. 15, 2017	392,648	353,443
30,000	Lear Corporation (callable) 8.75% due Dec. 1, 2016-(2011)	27,123	23,866
295,000	Lehman Brothers Holdings Inc. 6.50% due Jul. 19, 2017	283,966	281,665
173,000	Loblaw Companies Ltd. 6.65% due Nov. 8, 2027	175,223	146,754
169,000	Loblaw Companies Ltd. 6.50% due Jan. 22, 2029	168,174	139,767
125,000	Loblaw Companies Ltd. 6.85% due Mar. 1, 2032	138,725	106,856
112,000	Loblaw Companies Ltd. 6.05% due Jun. 9, 2034	108,100	85,594
147,000	Loblaw Companies Ltd. 5.90% due Jan. 18, 2036	119,405	109,410
665,000	Manulife Financial Delaware (callable) 5.06% due Dec. 15, 2041-(2036)	592,050	570,790
300,000	Maritimes & Northeast Pipelines LLP 6.90% due Nov. 30, 2019	331,652	327,641
303,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	303,000	299,057
580,000	Master Credit Card Trust 5.24% due May 21, 2013	580,000	586,274
1,400,000	Merrill Lynch & Company Inc. (callable) 5.29% due May 30, 2022-(2017)	1,301,596	1,157,399
418,000	Merrill Lynch & Company Inc. 4.68% due Mar. 12, 2039	410,083	407,504
487,000	Merrill Lynch & Company Inc. 5.26% due May 12, 2044	486,983	481,112
350,000	Merrill Lynch Canada Finance Company 5.80% due May 5, 2011	349,951	343,750
270,000	Merrill Lynch Canada Finance Company 5.00% due Feb. 18, 2014	260,002	253,490
597,000	Molson Coors Capital Finance 5.00% due Sep. 22, 2015	591,861	573,406
2,729,000	Morgan Stanley 4.90% due Feb. 23, 2017	2,529,056	2,413,443
100,000	Odyssey Re Holdings Corporation 7.65% due Nov. 1, 2013	109,606	108,709
377,104	Pearson Int'l Fuel 5.09% due Mar. 9, 2032	376,482	374,880
2,114,000	Reliance LP 7.30% due Apr. 3, 2013	2,114,000	2,082,225
1,187,000	RioCan Real Estate Investment Trust 5.70% due Sep. 11, 2012	1,187,233	1,165,449
310,000	RioCan Real Estate Investment Trust 5.23% due Mar. 11, 2013	305,710	297,472

The accompanying notes are an integral part of the financial statements

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
532,000	Rogers Communications Inc. 7.63% due Dec. 15, 2011	581,909	562,462
421,000	Royal Bank of Canada 4.92% due Jul. 6, 2011	420,962	423,748
2,030,000	Royal Bank of Canada 5.20% due Aug. 15, 2012	2,041,811	2,058,428
2,074,000	Royal Bank of Canada 5.95% due Jun. 18, 2014	2,134,082	2,065,498
1,000,000	Royal Bank of Canada 4.84% due Mar. 11, 2018	1,003,750	986,306
561,000	Royal Bank of Canada Capital Trust 4.87% due Dec. 31, 2015	534,173	513,538
1,516,000	Royal Bank of Canada Capital Trust (callable) 6.82% due Jun. 30, 2049-(2018)	1,527,167	1,518,524
649,000	Royal Bank of Canada Sub Notes Trust (callable) 4.58% due Apr. 30, 2017-(2012)	636,228	636,621
798,000	Royal Bank of Scotland 5.37% due May 12, 2016	798,556	718,087
1,850,000	Royal Bank of Scotland 6.99% due Dec. 29, 2099	1,772,492	1,721,980
400,000	Royal Bank of Scotland 6.67% due Oct. 5, 2017	385,940	364,882
244,000	Royal Office Finance LP 5.21% due Nov. 12, 2032	243,998	248,388
92,000	Shaw Communications Inc. 6.15% due May 9, 2016	91,901	90,023
280,000	Solar Trust 6.70% due Nov. 15, 2021	299,473	287,812
55,000	Sun Life Financial Services Inc. 5.00% due Jul. 11, 2031	54,911	55,257
447,000	Sun Life Financial Services Inc. (callable) 5.40% due May 29, 2042-(2037)	416,477	408,246
503,000	TCNZ Finance Ltd. 4.75% due Oct. 11, 2013	502,269	480,786
66,000	Terasen Gas Inc. 5.90% due Feb. 26, 2035	70,688	67,673
284,000	Terasen Gas Inc. 5.55% due Sep. 25, 2036	283,957	277,189
260,000	Terasen Gas Inc. 6.00% due Oct. 2, 2037	259,067	269,772
167,000	Terasen Gas Inc. 6.05% due Feb. 15, 2038	166,885	171,065
334,000	Terasen Inc. 6.50% due May 1, 2034	383,723	368,137
159,000	Tesoro Corporation (callable) 6.50% due Jun. 1, 2017-(2012)	144,985	145,137
431,000	Thomson Corporation 5.20% due Dec. 1, 2014	436,698	421,558
833,000	Thomson Reuters Corporation 5.70% due Jul. 15, 2015	833,331	835,737
198,000	Toromont Industries Ltd. 4.92% due Oct. 13, 2015	197,907	194,174
113,000	Toronto Community Housing Corporation 4.88% due May 11, 2037	113,000	109,295
1,887,000	Toronto-Dominion Bank 4.85% due Feb. 13, 2013	1,888,074	1,883,389
452,000	Toronto-Dominion Bank (callable) 5.48% due Apr. 2, 2020-(2015)	452,000	451,540
4,247,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	4,019,787	3,799,881
2,059,000	Toronto-Dominion Bank (callable) 5.76% due Dec. 18, 2106-(2017)	2,048,863	1,945,225
703,000	West Fraser Timber Ltd. 4.94% due Oct. 19, 2009	684,063	694,505
235,000	Western Oil Sand Inc. 8.38% due May 1, 2012	265,524	259,564
		68,960,183	66,863,112
United States Treasury Notes – 0.3%			
1,108,000	United States Government 3.50% due May 31, 2013	1,124,605	1,137,640
	TOTAL BONDS AND DEBENTURES	98,198,660	96,821,741
SHORT-TERM NOTES – 11.2%			
200,000	Province of Ontario Treasury Bills 2.65% due Sep. 22, 2008	198,688	198,803
2,000,000	Bank of Montreal Bankers' Acceptance 2.91% to 3.19% due from Jul. 22, 2008 to Aug. 28, 2008	1,986,804	1,992,121
8,850,000	Canadian Imperial Bank of Commerce Bankers' Acceptance 3.07% to 3.56 due from Jul.14 to Sep. 24, 2008	8,786,085	8,810,294
11,300,000	National Bank of Canada Bankers' Acceptance 2.90% to 3.19% due from Jul. 30, 2008 to Sep. 8, 2008	11,218,234	11,240,374
600,000	Royal Bank of Canada Bankers' Acceptance 3.06% to 3.09% due from Jul. 25, 2008 to Oct. 1, 2008	595,337	596,660
8,600,000	Bank of Montreal Bearer's Deposit Notes 3.06% to 3.53% due from Jul. 11, 2008 to Aug. 25, 2008	8,573,413	8,589,609
8,650,000	Royal Bank of Canada Bearers' Deposit Notes 3.04% to 3.23% due from Aug. 27, 2008 to Sep. 24, 2008	8,581,313	8,593,106
11,850,000	Toronto-Dominion Bank Bankers' Acceptance 3.03% due Jul. 18, 2008	11,818,598	11,833,317
		51,758,472	51,854,284
	TOTAL INVESTMENT PORTFOLIO	441,989,243	461,546,204
	OTHER ASSETS, LESS LIABILITIES – 0.4%		1,690,262
	TOTAL NET ASSETS – 100.0%		463,236,466

* This security is not actively traded.

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Sep 19, 2008	Canadian Dollar	4,702,812	U.S. Dollar	4,606,400	4,708,143	(5,331)
Sep 19, 2008	Canadian Dollar	13,465,046	U.S. Dollar	13,189,000	13,480,309	(15,264)
Sep 19, 2008	Canadian Dollar	135,685	Euro Dollar	86,100	137,990	(2,305)
Sep 19, 2008	Canadian Dollar	1,248,291	U.S. Dollar	1,222,700	1,249,706	(1,415)
Sep 19, 2008	U.S. Dollar	12,500	Canadian Dollar	12,683	12,656	93
Sep 19, 2008	U.S. Dollar	398,900	Canadian Dollar	404,748	403,872	2,965
Sep 17, 2008	Australian Dollar	300,841	U.S. Dollar	279,927	288,625	5,484
Sep 17, 2008	Australian Dollar	2,894,265	U.S. Dollar	2,693,027	2,776,707	52,791
Sep 17, 2008	Australian Dollar	195,042	U.S. Dollar	183,841	189,553	1,125
Sep 17, 2008	British Pound	481,439	U.S. Dollar	944,039	968,564	9,474
Sep 17, 2008	British Pound	693,391	U.S. Dollar	1,339,541	1,374,340	34,276
Sep 17, 2008	British Pound	2,706,083	U.S. Dollar	5,246,183	5,382,469	114,906
Sep 17, 2008	British Pound	100,284	U.S. Dollar	196,507	201,611	2,115
Sep 17, 2008	British Pound	80,361	U.S. Dollar	159,207	163,343	(91)
Sep 17, 2008	Danish Krone	3,093,883	U.S. Dollar	640,357	655,988	10,253
Sep 17, 2008	Euro Dollar	7,624,537	U.S. Dollar	11,751,166	12,034,087	210,429
Sep 17, 2008	Euro Dollar	1,731,123	U.S. Dollar	2,669,721	2,733,997	46,075
Sep 17, 2008	Japanese Yen	45,096,596	U.S. Dollar	429,144	435,862	(2,570)
Sep 17, 2008	Japanese Yen	127,373,189	U.S. Dollar	1,184,360	1,202,902	20,913
Sep 17, 2008	Japanese Yen	58,327,010	U.S. Dollar	542,013	550,499	9,913
Sep 17, 2008	Japanese Yen	368,229,476	U.S. Dollar	3,424,435	3,478,046	59,940
Sep 17, 2008	New Zealand Dollar	3,450	U.S. Dollar	2,639	2,728	(48)
Sep 17, 2008	New Zealand Dollar	1,000	U.S. Dollar	755	780	(4)
Sep 17, 2008	New Zealand Dollar	18,000	U.S. Dollar	13,287	13,732	249
Sep 17, 2008	New Zealand Dollar	27,805	U.S. Dollar	20,654	21,346	251
Sep 17, 2008	New Zealand Dollar	23,600	U.S. Dollar	17,517	18,105	227
Sep 17, 2008	New Zealand Dollar	4,200	U.S. Dollar	3,146	3,251	11
Sep 17, 2008	New Zealand Dollar	20,000	U.S. Dollar	15,049	15,554	(19)
Sep 17, 2008	Norwegian Krone	1,139,808	U.S. Dollar	221,675	227,841	393
Sep 17, 2008	Norwegian Krone	1,135,683	U.S. Dollar	220,158	226,282	1,127
Sep 17, 2008	Norwegian Krone	971,507	U.S. Dollar	185,604	190,767	3,767
Sep 17, 2008	Norwegian Krone	1,744,847	U.S. Dollar	333,289	342,561	6,827
Sep 17, 2008	Singapore Dollar	476,530	U.S. Dollar	349,927	355,542	1,650
Sep 17, 2008	Singapore Dollar	431,094	U.S. Dollar	316,853	321,938	1,197
Sep 17, 2008	Singapore Dollar	1,183,983	U.S. Dollar	862,013	875,846	11,631
Sep 17, 2008	Singapore Dollar	4,503,248	U.S. Dollar	3,301,792	3,354,779	20,717
Sep 17, 2008	Swedish Krona	8,203,657	U.S. Dollar	1,352,667	1,385,779	3,564
Sep 17, 2008	Swiss Franc	3,675,759	U.S. Dollar	3,518,210	3,585,737	84,261
Sep 17, 2008	Swiss Franc	463,635	U.S. Dollar	444,708	453,244	9,665
Sep 17, 2008	Swiss Franc	646,862	U.S. Dollar	634,521	646,699	(851)
Sep 17, 2008	U.S. Dollar	179,281	Australian Dollar	190,404	184,121	(1,273)
Sep 17, 2008	U.S. Dollar	2,964,949	Australian Dollar	3,181,720	3,076,733	(52,787)
Sep 17, 2008	U.S. Dollar	4,642,028	British Pound	2,394,823	4,836,106	(101,710)
Sep 17, 2008	U.S. Dollar	8,373,743	British Pound	4,317,854	8,719,476	(179,110)
Sep 17, 2008	U.S. Dollar	221,128	Danish Krone	1,072,384	229,928	(4,399)
Sep 17, 2008	U.S. Dollar	63,904	Danish Krone	308,950	66,241	(1,066)
Sep 17, 2008	U.S. Dollar	849,279	Euro Dollar	547,516	875,705	(9,526)
Sep 17, 2008	U.S. Dollar	299,237	Euro Dollar	194,797	311,561	(6,369)
Sep 17, 2008	U.S. Dollar	11,341,834	Euro Dollar	7,347,889	11,752,316	(184,799)
Sep 17, 2008	U.S. Dollar	311,624	Euro Dollar	200,452	320,606	(2,780)
Sep 17, 2008	U.S. Dollar	527,588	Euro Dollar	336,268	537,832	254
Sep 17, 2008	U.S. Dollar	194,434	Hong Kong Dollar	1,517,104	198,743	(441)
Sep 17, 2008	U.S. Dollar	39,657	Hong Kong Dollar	309,151	40,499	(54)
Sep 17, 2008	U.S. Dollar	1,019,370	Hong Kong Dollar	7,948,519	1,041,270	(1,616)
Sep 17, 2008	U.S. Dollar	196,635	Hong Kong Dollar	1,532,714	200,788	(240)
Sep 17, 2008	U.S. Dollar	604,182	Japanese Yen	64,803,345	625,148	(8,944)
Sep 17, 2008	U.S. Dollar	322,704	New Zealand Dollar	434,671	333,158	(4,033)
Sep 17, 2008	U.S. Dollar	395,305	Norwegian Krone	2,070,330	411,349	(8,179)
Sep 17, 2008	U.S. Dollar	498,504	Norwegian Krone	2,605,182	517,618	(9,195)
Sep 17, 2008	U.S. Dollar	1,374,501	Singapore Dollar	1,873,266	1,409,515	(7,664)
Sep 17, 2008	U.S. Dollar	3,852,073	Singapore Dollar	5,249,606	3,949,997	(21,275)
Sep 17, 2008	U.S. Dollar	187,446	Swedish Krona	1,145,124	193,057	(1,882)
Sep 17, 2008	U.S. Dollar	167,228	Swedish Krona	1,016,671	171,401	(846)
Sep 17, 2008	U.S. Dollar	871,338	Swedish Krona	5,285,188	891,034	(2,358)
Sep 17, 2008	U.S. Dollar	639,656	Swiss Franc	665,472	664,904	(12,520)
Sep 17, 2008	U.S. Dollar	1,344,602	Swiss Franc	1,402,528	1,401,330	(29,972)
					107,432,216	45,607

The currency forward contracts outstanding at June 30,2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Canadian Tactical Asset Allocation Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Tactical Asset Allocation Fund (the "Fund") is to obtain capital growth over the long term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world. The Fund's asset mix will generally vary within the following ranges: 20-80% in equity and 20-80% in fixed income securities. The Fund may also invest a portion of its assets in money market instruments. The portfolio advisor determines the mix based on its analysis of market conditions and how it expects each asset class to perform. The Fund can invest up to 49% of its assets in foreign securities anywhere in the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	33,842,513	7.3
Euro Dollar	13,573,049	2.9
British Pound	8,880,397	1.9
Japanese Yen	8,351,593	1.8
Swiss Franc	2,634,386	0.6
Australian Dollar	2,149,880	0.5
Hong Kong Dollar	856,386	0.2
Swedish Krona	819,804	0.2
Brazilian Real	727,523	0.2
Pakistani Rupee	491,486	0.1
Danish Krone	399,648	0.1
Singapore Dollar	363,141	0.1
Norwegian Krone	330,486	0.1
Total	73,420,292	16.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $7,342,029 (approximately 1.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $1,195,749 (approximately 0.3% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	80,371	4,547,945	21,173,365	35,895,568	29,124,494	96,821,743

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	20.3	4.2
AA	40.6	8.5
A	27.1	5.7
BBB	9.0	1.9
BB	2.3	0.5
Unrated	0.7	0.1
Total	100.0	20.9

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $34,728,590 (approximately 7.5% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Dividend Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$2,996,531,745	$2,520,423,879
Cash	643,062	387,244
Accrued investment income	6,580,542	6,178,981
Receivable for securities sold	18,526,709	519,148
Subscriptions receivable	5,224,042	2,611,368
	3,027,506,100	2,530,120,620
LIABILITIES		
Payable for securities purchased	6,912,420	60,700
Distributions payable	454,094	7,946
Redemptions payable	1,063,893	1,252,285
Accrued expenses	3,205,613	2,986,151
	11,636,020	4,307,082
Net assets	$3,015,870,080	$2,525,813,538
NET ASSETS PER CLASS		
Class A Units	$2,236,414,486	$2,107,624,598
Advisor Class Units	$ 8,291,024	$ –
Class F Units	$ 8,130,647	$ 8,222,497
Class I Units	$ 677,314,960	$ 314,275,016
Scotia Private Client Units	$ 85,718,963	$ 95,691,427
UNITS OUTSTANDING		
Class A Units	55,744,146	52,549,173
Advisor Class Units	207,618	–
Class F Units	203,581	205,519
Class I Units	16,914,145	7,816,815
Scotia Private Client Units	2,153,375	2,396,465
NET ASSETS PER UNIT		
Class A Units	$ 40.12	$ 40.11
Advisor Class Units	$ 39.93	$ –
Class F Units	$ 39.94	$ 40.01
Class I Units	$ 40.04	$ 40.20
Scotia Private Client Units	$ 39.81	$ 39.93

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 29,358,681	$ 26,536,806
Interest	6,515,108	6,822,279
Capital gains distributions received	31,904	12,173
Securities lending	368,832	207,633
Foreign withholding taxes	(384,726)	(124,907)
	35,889,799	33,453,984
EXPENSES		
Management fees (note 4)	16,197,788	14,676,207
Audit fees	12,200	12,270
Independent Review Committee fees	3,438	266
Custodian fees	80,949	77,265
Filing fees	56,174	45,390
Legal fees	12,973	13,715
Unitholder reporting	100,761	71,450
Unitholder administration, service fees and GST	1,350,075	1,472,044
	17,814,358	16,368,607
Absorbed expenses	(28,112)	(13,598)
	17,786,246	16,355,009
Net investment income (loss)	18,103,553	17,098,975
Net realized gain (loss) on investments sold	30,923,639	83,304,423
Net realized gain (loss) on foreign exchange	(1,274,857)	(1,233,049)
Transaction costs	(1,859,215)	(1,308,079)
Change in unrealized appreciation (depreciation) of investments	(55,196,830)	55,579,095
Net gain (loss) on investments and transaction costs	(27,407,263)	136,342,390
Increase (decrease) in net assets from operations	$ (9,303,710)	$153,441,365
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 6,333,071	$127,991,028
Advisor Class Units+	$ 32,260	$ –
Class F Units	$ (7,613)	$ 413,926
Class I Units	$(16,909,681)	$ 20,363,870
Scotia Private Client Units	$ 1,248,253	$ 4,672,541
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.12	$ 2.65
Advisor Class Units+	$ 0.30	$ –
Class F Units	$ (0.04)	$ 2.62
Class I Units	$ (1.90)	$ 2.86
Scotia Private Client Units	$ 0.48	$ 2.78

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$2,107,624,598	$1,827,594,489
Class F Units	8,222,497	6,374,233
Class I Units	314,275,016	212,108,938
Scotia Private Client Units	95,691,427	50,774,903
	2,525,813,538	2,096,852,563
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	6,333,071	127,991,028
Advisor Class Units+	32,260	–
Class F Units	(7,613)	413,926
Class I Units	(16,909,681)	20,363,870
Scotia Private Client Units	1,248,253	4,672,541
	(9,303,710)	153,441,365
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(5,376,332)	(4,458,341)
Advisor Class Units+	(27,603)	–
Class F Units	(51,781)	(40,705)
Class I Units	(5,088,470)	(3,319,342)
Scotia Private Client Units	(1,002,687)	(775,226)
	(11,546,873)	(8,593,614)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	261,053,139	240,965,117
Advisor Class Units+	8,389,227	–
Class F Units	1,695,873	2,308,788
Class I Units	439,911,209	116,905,986
Scotia Private Client Units	36,016,300	32,689,201
Reinvested distributions		
Class A Units	5,255,192	4,331,114
Advisor Class Units+	26,235	–
Class F Units	48,521	39,607
Class I Units	4,386,653	2,417,840
Scotia Private Client Units	828,655	768,704
Payments on redemption		
Class A Units	(138,475,182)	(138,492,942)
Advisor Class Units+	(129,095)	–
Class F Units	(1,776,850)	(2,373,863)
Class I Units	(59,259,767)	(32,187,536)
Scotia Private Client Units	(47,062,985)	(7,679,612)
	510,907,125	219,692,404
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	128,789,888	230,335,976
Advisor Class Units+	8,291,024	–
Class F Units	(91,850)	347,753
Class I Units	363,039,944	104,180,818
Scotia Private Client Units	(9,972,464)	29,675,608
	490,056,542	364,540,155
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	2,236,414,486	2,057,930,465
Advisor Class Units+	8,291,024	–
Class F Units	8,130,647	6,721,986
Class I Units	677,314,960	316,289,756
Scotia Private Client Units	85,718,963	80,450,511
	$3,015,870,080	$2,461,392,718

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Canadian Dividend Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 90.7%			
CANADIAN EQUITIES – 80.7%			
Energy – 11.5%			
600,000	Canadian Natural Resources Ltd.	31,552,994	60,504,000
1,175,000	EnCana Corporation	50,919,215	108,922,500
630,000	Imperial Oil Ltd.	14,711,819	35,160,300
400,000	Nexen Inc.	12,132,350	16,180,000
275,000	Petro-Canada	8,786,801	15,446,750
500,000	Shawcor Ltd. Class A	14,200,386	18,000,000
1,550,000	Suncor Energy Inc.	52,509,231	91,589,500
		184,812,796	345,803,050
Materials – 11.2%			
250,000	Agnico-Eagle Mines Ltd.	10,858,825	18,980,000
225,000	Agrium Inc.	6,821,582	24,655,500
825,000	Barrick Gold Corporation	21,678,398	37,504,500
825,000	Cameco Corporation	26,784,073	36,060,750
2,655,600	Domtar Corporation	13,840,520	13,888,788
925,000	Goldcorp Inc.	28,856,828	42,226,250
241,800	Inmet Mining Corporation	18,149,325	16,321,500
250,000	Potash Corporation of Saskatchewan Inc.	10,224,188	58,742,500
1,550,000	Teck Cominco Ltd. Class B	39,129,075	75,857,000
750,000	Yamana Gold Inc.	10,505,505	12,622,500
		186,848,319	336,859,288
Industrials – 8.5%			
500,000	Aecon Group Inc.	8,058,835	8,060,000
1,800,000	Bombardier Inc. Class B	13,350,000	13,194,000
1,200,000	CAE Inc.	15,317,814	13,824,000
1,375,000	Canadian National Railway Company	53,094,867	67,347,500
500,000	Canadian Pacific Railway Ltd.	29,463,215	33,705,000
1,500,000	Finning International Inc.	35,194,552	38,235,000
600,000	Ritchie Bros. Auctioneers Inc.	13,587,044	16,392,000
375,000	SNC-Lavalin Group Inc.	11,860,275	20,655,000
821,350	Student Transportation of America Ltd.	5,800,382	4,517,425
1,460,000	Toromont Industries Ltd.	38,066,735	39,843,400
		223,793,719	255,773,325
Consumer Discretionary – 5.4%			
350,000	Canadian Tire Corporation Ltd. Class A	20,122,668	18,508,000
1,475,000	Rogers Communications Inc. Class B	48,249,753	58,351,000
975,000	Shaw Communications Inc. Class B	19,913,170	20,250,750
1,150,000	Thomson Reuters Corporation	43,590,980	37,674,000
950,000	Tim Hortons Inc.	30,163,204	27,721,000
		162,039,775	162,504,750
Consumer Staples – 3.0%			
1,249,600	Alimentation Couche-Tard Inc. Class B	29,594,993	17,032,048
1,494,500	Maple Leaf Foods Inc.	17,357,884	16,334,885
850,000	Saputo Inc.	18,881,709	24,633,000
575,000	Shoppers Drug Mart Corporation	25,758,674	32,131,000
		91,593,260	90,130,933
Financials – 29.2%			
1,050,000	Bank of Montreal	48,183,309	44,520,000
2,575,000	Bank of Nova Scotia, The	125,154,133	120,175,250
1,000,000	Brookfield Asset Management Inc. Class A	15,368,700	33,100,000
1,100,000	Canadian Imperial Bank of Commerce	70,225,972	61,512,000
425,000	First Capital Realty Inc.	8,057,060	10,093,750
1,550,000	Great-West Lifeco Inc.	36,357,598	45,167,000
3,500,000	Manulife Financial Corporation	90,303,733	123,935,000
2,300,000	Power Corporation of Canada	55,029,847	71,185,000
558,400	Power Financial Corporation	9,101,806	18,499,792
3,525,000	Royal Bank of Canada	126,939,268	160,316,997
1,375,000	Sun Life Financial Services of Canada Inc.	54,082,314	57,406,250
2,135,000	Toronto-Dominion Bank	102,265,393	136,789,450
		741,069,133	882,700,489
Telecommunication Services – 2.7%			
1,655,699	BCE Inc.	51,158,795	58,860,099
575,000	Telus Corporation Non-Voting	22,404,941	23,448,500
		73,563,736	82,308,599
Utilities – 4.6%			
552,000	Emera Inc.	10,434,560	12,734,640
725,000	Enbridge Inc.	24,004,899	31,921,750
1,145,100	Fortis Inc.	23,372,702	31,089,465
600,000	TransAlta Corporation	16,057,307	21,570,000
1,066,600	TransCanada Corporation	29,109,003	41,970,710
		102,978,471	139,286,565
Income Trust Units – 4.6%			
1,050,000	AltaGas Income Trust	25,805,347	26,890,500
900,000	Bonavista Energy Trust	30,805,831	33,705,000
616,668	Canadian Apartment Properties Real Estate Investment Trust	10,749,484	10,680,690
700,000	Canadian Oil Sands Trust	19,851,748	38,283,000
695,700	Cominar Real Estate Investment Trust	13,945,215	15,110,604
600,000	Mullen Group Income Fund	11,437,236	13,548,000
		112,594,861	138,217,794
	TOTAL CANADIAN EQUITIES	1,879,294,070	2,433,584,793
FOREIGN EQUITIES – 10.0%			
United States – 10.0%			
350,000	Alcoa Inc.	12,803,082	12,715,071
500,000	Citigroup Inc.	12,109,979	8,516,150
1,000,000	Comcast Corporation Class A	22,425,739	19,347,469
625,000	CVS Caremark Corporation	25,321,799	25,191,486
245,900	Enbridge Energy Partners LP	12,792,740	12,617,394
950,000	Fifth Third Bancorp	20,335,828	9,863,436
375,000	Harsco Corporation	23,446,566	20,809,748
600,000	Intel Corporation	12,133,533	13,144,448
425,000	Navios Maritime Partners LP	8,203,366	6,306,796
600,000	Oracle Corporation	11,426,724	12,850,718
200,000	Peabody Energy Corporation	10,363,223	17,952,248
200,000	PepsiCo Inc.	13,512,749	12,969,026
150,000	Praxair Inc.	6,879,740	14,400,453
750,000	Republic Services Inc.	23,352,434	22,695,285
562,400	Seaspan Corporation	15,239,959	13,748,970
1,000,000	Spectra Energy Corporation	24,139,744	29,301,676
250,000	Staples Inc.	6,496,606	6,050,546
300,000	United Parcel Service Inc. Class B	21,293,600	18,804,883
750,000	Zions Bancorporation	31,935,583	24,087,446
	TOTAL FOREIGN EQUITIES	314,212,994	301,373,249
	TOTAL EQUITIES	2,193,507,064	2,734,958,042
SHORT-TERM NOTES – 8.7%			
262,540,000	Government of Canada Treasury Bills 2.36% to 2.71% due from Jul. 10, 2008 to Oct. 2, 2008	260,842,690	261,573,703
	TOTAL INVESTMENT PORTFOLIO	2,454,349,754	2,996,531,745
	OTHER ASSETS, LESS LIABILITIES – 0.6%		19,338,335
	TOTAL NET ASSETS – 100.0%		3,015,870,080

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Dividend Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Dividend Fund (the "Fund") is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	301,454,934	10.0
Total	301,454,934	10.0

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $30,145,493 (approximately 1.0% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $205,121,853 (approximately 6.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different

Scotia Canadian Blue Chip Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$421,984,665	$428,904,864
Cash	840,983	386,046
Accrued investment income	735,610	802,885
Receivable for securities sold	1,881,150	51,265
Subscriptions receivable	322,061	67,886
Receivable from currency forward contracts	–	15,787
	425,764,469	430,228,733
LIABILITIES		
Payable for securities purchased	480,485	118,375
Redemptions payable	151,331	203,398
Accrued expenses	742,177	733,448
	1,373,993	1,055,221
Net assets	$424,390,476	$429,173,512
NET ASSETS PER CLASS		
Class A Units	$408,420,338	$405,993,455
Class F Units	$ 31,590	$ 30,186
Class I Units	$ 15,938,548	$ 23,149,871
UNITS OUTSTANDING		
Class A Units	13,612,449	14,092,884
Class F Units	1,036	1,036
Class I Units	499,596	763,432
NET ASSETS PER UNIT		
Class A Units	$ 30.00	$ 28.81
Class F Units	$ 30.49	$ 29.13
Class I Units	$ 31.90	$ 30.32

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 3,756,903	$ 4,495,257
Interest	751,827	653,500
Capital gains distributions received	533	–
Securities lending	41,792	12,912
Foreign withholding taxes	39,622	(151,207)
	4,590,677	5,010,462
EXPENSES		
Management fees (note 4)	3,686,157	3,964,955
Audit fees	9,035	8,097
Independent Review Committee fees	1,018	636
Custodian fees	50,641	77,654
Filing fees	15,079	13,186
Legal fees	3,685	4,801
Unitholder reporting	32,763	27,050
Unitholder administration, service fees and GST	372,925	476,252
	4,171,303	4,572,631
Absorbed expenses	(11,256)	(14,300)
	4,160,047	4,558,331
Net investment income (loss)	430,630	452,131
Net realized gain (loss) on investments sold	13,183,994	26,684,467
Net realized gain (loss) on foreign exchange	(32,489)	(84,415)
Transaction costs	(182,046)	(163,062)
Change in unrealized appreciation (depreciation) of investments	3,227,538	(3,349,435)
Change in unrealized appreciation (depreciation) of currency forward	(15,787)	(12,184)
Net gain (loss) on investments and transaction costs	16,181,210	23,075,371
Increase (decrease) in net assets from operations	$16,611,840	$23,527,502
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$16,122,069	$21,819,183
Class F Units	$ 1,404	$ 1,770
Class I Units	$ 488,367	$ 1,706,549
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 1.17	$ 1.45
Class F Units	$ 1.35	$ 1.80
Class I Units	$ 0.85	$ 1.79

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$405,993,455	$430,474,777
Class F Units	30,186	29,741
Class I Units	23,149,871	25,333,725
	429,173,512	455,838,243
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	16,122,069	21,819,183
Class F Units	1,404	1,770
Class I Units	488,367	1,706,549
	16,611,840	23,527,502
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	10,025,780	9,535,221
Class I Units	919,772	6,173,045
Reinvested distributions		
Class A Units	134	–
Payments on redemption		
Class A Units	(23,721,100)	(36,556,319)
Class F Units	–	(10,000)
Class I Units	(8,619,462)	(2,830,457)
	(21,394,876)	(23,688,510)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	2,426,883	(5,201,915)
Class F Units	1,404	(8,230)
Class I Units	(7,211,323)	5,049,137
	(4,783,036)	(161,008)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	408,420,338	425,272,862
Class F Units	31,590	21,511
Class I Units	15,938,548	30,382,862
	$424,390,476	$455,677,235

The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 95.7%			
CANADIAN EQUITIES – 89.1%			
Energy – 21.0%			
149,374	Canadian Natural Resources Ltd.	5,370,822	15,062,874
222,303	EnCana Corporation	7,183,366	20,607,488
45,565	Ensign Resource Service Group Inc.	699,073	1,011,087
72,248	Husky Energy Inc.	1,560,261	3,490,301
65,425	Imperial Oil Ltd.	1,892,397	3,651,369
97	iUnits S&P/TSX Put Options $108.67 Jul. 19, 2008	24,056	16,031
(97)	iUnits S&P/TSX Written Call Options $118.28 Jul. 19, 2008	(24,056)	(6,518)
16,817	Major Drilling Group International Inc.	869,479	840,850
248,162	Nexen Inc.	8,095,116	10,038,153
99,510	Opti Canada Inc.	1,782,515	2,298,681
143,723	Petro-Canada	4,948,256	8,072,921
44,001	Petrobank Energy & Resources Ltd.	2,109,819	2,330,293
262,110	Suncor Energy Inc.	5,993,212	15,488,080
270,150	Talisman Energy Inc.	2,685,402	6,099,987
		43,189,718	89,001,597
Materials – 16.8%			
37,130	Agnico-Eagle Mines Ltd.	1,723,674	2,818,910
42,450	Agrium Inc.	2,186,520	4,651,671
263,612	Barrick Gold Corporation	7,670,521	11,983,802
82,119	Cameco Corporation	1,218,154	3,589,421
232,070	Goldcorp Inc.	6,643,148	10,593,994
82,580	Hudbay Minerals Inc.	1,788,991	1,170,159
15,056	Inmet Mining Corporation	1,133,219	1,016,280
7,340	iUnits S&P/TSX Cap Gold Index	536,267	647,902
49,370	Kinross Gold Corporation	636,449	1,167,107
76,690	Potash Corporation of Saskatchewan Inc.	4,180,320	18,019,847
70,950	Sherritt International Corporation	948,309	1,088,373
213,680	Teck Cominco Ltd. Class B	4,439,192	10,457,499
255,029	Yamana Gold Inc.	3,564,991	4,292,138
		36,669,755	71,497,103
Industrials – 5.7%			
520,045	Bombardier Inc. Class B	2,630,276	3,811,930
184,380	CAE Inc.	1,789,814	2,124,058
171,930	Canadian National Railway Company	3,644,455	8,421,131
61,274	Canadian Pacific Railway Ltd.	2,396,182	4,130,480
49,440	Finning International Inc.	794,718	1,260,226
31,703	Macdonald Dettwiler & Associates Ltd.	1,052,760	1,198,690
57,440	SNC-Lavalin Group Inc.	1,927,331	3,163,795
		14,235,536	24,110,310
Consumer Discretionary – 6.1%			
38,760	Astral Media Inc. Class A	1,136,556	1,240,708
40,424	Canadian Tire Corporation Ltd. Class A	2,347,826	2,137,621
30,570	Gildan Activewear Inc.	1,214,929	793,903
63,220	Magna International Inc. Class A	5,598,903	3,836,190
224,570	Rogers Communications Inc. Class B	4,909,956	8,883,989
128,900	Shaw Communications Inc. Class B	2,780,823	2,677,253
138,473	Thomson Reuters Corporation	6,051,115	4,536,375
66,620	Tim Hortons Inc.	2,298,333	1,943,972
		26,338,441	26,050,011
Consumer Staples – 2.2%			
120,020	Saputo Inc.	2,185,091	3,478,180
87,410	Saskatchewan Wheat Pool Inc.	979,618	1,221,992
84,303	Shoppers Drug Mart Corporation	2,562,269	4,710,852
		5,726,978	9,411,024
Financials – 23.7%			
132,248	Bank of Montreal	5,407,528	5,607,315
249,410	Bank of Nova Scotia, The	12,080,293	11,639,965
193,320	Brookfield Asset Management Inc. Class A	2,549,217	6,398,892
98,112	Canadian Imperial Bank of Commerce	5,929,445	5,486,423
110,550	Great-West Lifeco Inc.	2,597,032	3,221,427
183	iUnits Canadian S&P/TSX Capped Energy Index Put Options $105.00 Jul. 18, 2008	48,678	12,120
199	iUnits Canadian S&P/TSX Capped Energy Index Put Options $110.00 Jul. 19, 2008	56,118	42,785
439,620	Manulife Financial Corporation	10,289,441	15,566,944
299,880	Power Corporation of Canada	6,797,822	9,281,286
431,542	Royal Bank of Canada	12,612,760	19,626,530
183,038	Sun Life Financial Services of Canada Inc.	6,422,351	7,641,837
244,998	Toronto-Dominion Bank	9,324,057	15,697,022
		74,114,742	100,222,546
Information Technology – 4.2%			
199,060	Nortel Networks Corporation	1,977,201	1,662,151
32,730	Open Text Corporation	1,128,198	1,067,980
124,830	Research in Motion Ltd.	6,021,893	14,940,903
		9,127,292	17,671,034
Telecommunication Services – 2.3%			
184,951	BCE Inc.	6,498,687	6,575,008
79,760	Telus Corporation	2,397,547	3,396,181
		8,896,234	9,971,189
Utilities – 3.5%			
140,630	Enbridge Inc.	3,897,177	6,191,939
80,410	TransAlta Corporation	1,650,581	2,890,740
151,490	TransCanada Corporation	4,503,008	5,961,132
		10,050,766	15,043,811
Income Trust Units – 3.6%			
37,850	Bonavista Energy Trust	1,164,015	1,417,483
193,380	Canadian Oil Sands Trust	5,876,962	10,575,952
85,260	Precision Drilling Trust	2,545,407	2,343,797
94,980	Yellow Pages Income Fund	1,354,546	839,623
		10,940,930	15,176,855
	TOTAL CANADIAN EQUITIES	239,290,392	378,155,480
FOREIGN EQUITIES – 6.6%			
United States – 6.6%			
10,069	Abbott Laboratories	552,033	542,838
12,690	Adobe Systems Inc.	534,886	509,805
13,168	AT&T Inc.	483,226	451,114
12,906	Bank of New York Company Inc.	570,379	497,686
9,845	Baxter International Inc.	590,739	641,212
9,356	Chesapeake Energy Corporation	386,978	629,401
6,737	Chevron Corporation	585,493	680,441
8,937	Chubb Corporation	470,462	446,718
21,241	Cisco Systems Inc.	597,128	503,897
8,245	Colgate-Palmolive Company	607,585	580,393
9,300	ConocoPhillips	828,643	893,302
15,794	CVS Caremark Corporation	577,036	636,599
6,962	Deere & Company	512,474	512,161
5,567	Eaton Corporation	504,298	482,440
13,611	Eli Lilly & Company	745,715	639,814
23	Energy Select Sector Put Options $84.00 Jul. 19, 2008	7,178	1,994
5,604	Entergy Corporation	586,646	687,404
7,769	Exelon Corporation	620,788	712,172
8,330	Express Scripts Inc.	605,029	532,854
8,856	Exxon Mobil Corporation	720,873	793,390
4,385	Flowserve Corporation	486,592	609,479
17,436	Forest Laboratories Inc.	645,678	617,780
1,815	Freeport-McMoran Copper & Gold Inc. Class B	149,957	216,932
10,365	Gilead Sciences Inc.	461,123	559,747

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
3,998	Goldman Sachs Group Inc.	755,546	711,207
1,200	Google Inc.	628,972	644,274
4,335	Hess Corporation	420,614	557,874
11,250	Hewlett-Packard Company	514,474	506,226
12,325	Honeywell International Inc.	696,588	631,278
16,960	Host Hotels & Resorts Inc.	293,469	235,938
14,985	JPMorgan Chase & Company	722,032	524,366
10,300	KBW Regional Banking ETF	296,234	278,381
9,500	Kellogg Company	504,304	464,686
9,032	Lincoln National Corporation	584,114	416,554
5,144	Lockheed Martin Corporation	550,593	517,081
9,730	McDonald's Corporation	561,332	557,310
12,090	McGraw-Hill Companies Inc.	485,030	493,963
11,044	MEMC Electronic Materials Inc.	719,149	692,946
26,537	Microsoft Corporation	823,644	744,559
7,290	Molson Coors Brewing Company Class B	388,188	403,947
10,220	Morgan Stanley	516,641	375,449
3,978	Nucor Corporation	259,612	302,948
30,831	Oracle Corporation	611,910	660,334
9,304	PepsiCo Inc.	639,625	603,319
8,351	Philip Morris International Inc.	444,956	420,067
2,608	Praxair Inc.	171,813	250,376
110	S&P 500 Depository Receipts Put Options $128.00 Jul.18, 2008	35,621	28,047
110	S&P 500 Depository Receipts Put Options $129.00 Jul.18, 2008	32,805	33,208
12,838	Snap-On Inc.	601,431	680,860
3,859	Transocean Inc.	444,621	598,948
11,244	Verizon Communications Inc.	444,880	405,270
18,710	Walt Disney Company	635,849	594,604
17,597	Wells Fargo & Company	562,615	424,809
16,266	Western Digital Corporation	465,709	572,841
12,310	Zions Bancorporation	575,727	395,355
		28,219,037	28,106,598
United Kingdom – 0.0%			
23	Reckitt Benkiser PLC	1,428	1,188
71	Standard Chartered PLC	2,289	2,048
		3,717	3,236
	TOTAL FOREIGN EQUITIES	28,222,754	28,109,834
	TOTAL EQUITIES	267,513,146	406,265,314
CURRENCY OPTIONS – 0.0%			
1,400,000	Canadian Dollar Written Call Options $0.98 Jul.21, 2008	19,708	485
SHORT-TERM NOTES – 3.7%			
15,790,000	Government of Canada Treasury Bills 2.50% to 2.81% due from Aug. 21, 2008 to Oct. 2, 2008	15,672,505	15,718,866
	TOTAL INVESTMENT PORTFOLIO	283,205,359	421,984,665
	OTHER ASSETS, LESS LIABILITIES – 0.6%		2,405,811
	TOTAL NET ASSETS – 100.0%		424,390,476

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Blue Chip Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	28,527,842	6.7
Total	28,527,842	6.7

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $2,852,784 (approximately 0.7% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $34,126,286 (approximately 8.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Growth Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$839,829,882	$809,158,086
Cash	726,177	619,718
Accrued investment income	1,766,884	1,240,845
Receivable for securities sold	5,381,403	95,800
Subscriptions receivable	420,223	309,994
Receivable from currency forward contracts	–	50,874
	848,124,569	811,475,317
LIABILITIES		
Payable for securities purchased	2,577,047	41,307
Redemptions payable	373,135	391,465
Accrued expenses	1,052,940	1,085,779
	4,003,122	1,518,551
Net assets	$844,121,447	$809,956,766
NET ASSETS PER CLASS		
Class A Units	$574,127,503	$590,604,928
Advisor Class Units	$ 11,593	$ –
Class F Units	$ 58,557	$ 57,937
Class I Units	$269,923,794	$219,293,901
UNITS OUTSTANDING		
Class A Units	8,841,461	9,148,209
Advisor Class Units	179	–
Class F Units	879	879
Class I Units	3,743,376	3,090,664
NET ASSETS PER UNIT		
Class A Units	$ 64.94	$ 64.56
Advisor Class Units	$ 64.82	$ –
Class F Units	$ 66.62	$ 65.91
Class I Units	$ 72.11	$ 70.95

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 7,933,447	$ 6,756,622
Interest	1,034,277	827,828
Capital gains distributions received	47	–
Securities lending	220,503	82,910
Foreign withholding taxes	(354,628)	(139,424)
	8,833,646	7,527,936
EXPENSES		
Management fees (note 4)	5,293,031	5,597,617
Audit fees	11,261	10,597
Independent Review Committee fees	1,733	1,082
Custodian fees	71,599	101,199
Filing fees	18,019	15,299
Legal fees	5,545	7,203
Unitholder reporting	52,823	44,529
Unitholder administration, service fees and GST	592,268	697,263
	6,046,279	6,474,789
Absorbed expenses	(11,971)	(13,745)
	6,034,308	6,461,044
Net investment income (loss)	2,799,338	1,066,892
Net realized gain (loss) on investments sold	7,081,728	52,093,935
Net realized gain (loss) on foreign exchange	(84,834)	(308,793)
Transaction costs	(1,008,471)	(848,131)
Change in unrealized appreciation (depreciation) of investments	(294,838)	3,659,300
Change in unrealized appreciation (depreciation) of currency forward	(50,874)	(20,390)
Net gain (loss) on investments and transaction costs	5,642,711	54,575,921
Increase (decrease) in net assets from operations	$ 8,442,049	$55,642,813
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 3,033,927	$40,264,146
Advisor Class Units+	$ (380)	$ –
Class F Units	$ 620	$ 2,190
Class I Units	$ 5,407,882	$15,376,477
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.34	$ 4.67
Advisor Class Units+	$ (6.95)	$ –
Class F Units	$ 0.71	$ 4.12
Class I Units	$ 1.55	$ 5.85

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$590,604,928	$608,042,943
Class F Units	57,937	46,989
Class I Units	219,293,901	181,360,585
	809,956,766	789,450,517
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	3,033,927	40,264,146
Advisor Class Units+	(380)	–
Class F Units	620	2,190
Class I Units	5,407,882	15,376,477
	8,442,049	55,642,813
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	16,792,573	13,627,644
Advisor Class Units+	11,973	–
Class I Units	47,191,670	39,857,233
Reinvested distributions		
Class A Units	(688)	803
Payments on redemption		
Class A Units	(36,303,237)	(59,563,831)
Class F Units	–	(17,832)
Class I Units	(1,969,659)	(30,184,865)
	25,722,632	(36,280,848)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(16,477,425)	(5,671,238)
Advisor Class Units+	11,593	–
Class F Units	620	(15,642)
Class I Units	50,629,893	25,048,845
	34,164,681	19,361,965
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	574,127,503	602,371,705
Advisor Class Units+	11,593	–
Class F Units	58,557	31,347
Class I Units	269,923,794	206,409,430
	$844,121,447	$808,812,482

+ Start date February 4, 2008

EQUITY FUNDS

The accompanying notes are an integral part of the financial statements

Scotia Canadian Growth Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 96.5%			
CANADIAN EQUITIES – 77.3%			
Energy – 18.6%			
150,000	Alter NRG Corporation	660,000	807,000
243,400	Canadian Natural Resources Ltd.	11,035,275	24,544,456
100,000	Connacher Oil & Gas Ltd.	486,110	429,000
333,650	EnCana Corporation	9,988,531	30,929,355
30,000	First Calgary Petroleums Ltd.	92,295	68,100
65,000	Galleon Energy Inc.	1,242,180	1,339,000
109,600	Husky Energy Inc.	1,711,256	5,294,776
104,825	Imperial Oil Ltd.	3,346,310	5,850,283
175	iUnits S&P/TSX Put Options $108.67 Jul. 19, 2008	43,400	28,921
(175)	iUnits S&P/TSX Written Call Options $118.28 Jul. 19, 2008	(43,400)	(11,760)
526,000	Jura Energy Corporation	600,140	263,000
320,000	Lignol Energy Corporation	400,000	208,000
24,959	Major Drilling Group International Inc.	1,284,098	1,247,950
472,100	Nexen Inc.	16,446,923	19,096,445
50,000	Nuvista Energy Ltd.	850,000	875,500
202,500	Opti Canada Inc.	3,901,758	4,677,750
229,700	Petro-Canada	8,420,308	12,902,249
210,416	Petrobank Energy & Resources Ltd.	6,783,169	11,143,631
35,000	Petrominerales Ltd.	655,029	569,800
52,600	Shawcor Ltd. Class A	924,189	1,893,600
415,800	Suncor Energy Inc.	10,104,310	24,569,622
450,600	Talisman Energy Inc.	4,024,267	10,174,548
		82,956,148	156,901,226
Materials – 14.5%			
60,300	Agnico-Eagle Mines Ltd.	2,484,243	4,577,976
80,000	Agrium Inc.	4,204,511	8,766,400
150,000	Baffinland Iron Mines Corporation	480,000	459,000
399,500	Barrick Gold Corporation	13,275,785	18,161,270
1,200,000	Blue Note Mining Inc.	577,260	162,000
118,388	Cameco Corporation	2,940,653	5,174,739
237,500	Canadian Royalties Inc.	701,558	494,000
495,000	Carpathian Gold Inc.	568,199	178,200
323,200	Energold Drilling Corporation	1,324,250	1,502,880
175,000	European Minerals Corporation	198,070	169,750
403,300	Goldcorp Inc.	10,620,547	18,410,645
180,900	Guyana Goldfields Inc.	1,212,091	772,443
175,000	High River Gold Mines Ltd.	550,100	269,500
113,100	Hudbay Minerals Inc.	2,404,489	1,602,627
34,800	Inmet Mining Corporation	2,499,645	2,349,000
10,532	iUnits S&P/TSX Cap Gold Index	769,477	929,660
75,500	Kinross Gold Corporation	852,118	1,784,820
600,000	Lake Shore Gold Corporation	1,165,819	936,000
75,000	Migao Corporation	600,000	631,500
118,000	Potash Corporation of Saskatchewan Inc.	6,684,908	27,726,460
200,000	San Gold Corporation	305,280	440,000
339,000	Sherritt International Corporation	4,911,779	5,200,260
647,700	Silver Eagle Mines Inc.	869,280	362,712
112,500	*Silver Eagle Mines Inc. Warrants Nov. 10, 2008	–	–
288,900	Teck Cominco Ltd. Class B	6,962,592	14,138,766
412,400	Yamana Gold Inc.	5,754,036	6,940,692
		72,916,690	122,141,300
Industrials – 6.0%			
150,000	Allen-Vanguard Corporation	1,039,640	369,000
1,954,311	Bombardier Inc. Class B	11,132,305	14,325,100
309,650	CAE Inc.	3,023,804	3,567,168
276,820	Canadian National Railway Company	8,286,070	13,558,644
67,100	Canadian Pacific Railway Ltd.	2,532,751	4,523,211
87,000	Finning International Inc.	2,011,609	2,217,630
44,689	Macdonald Dettwiler & Associates Ltd.	1,614,622	1,689,691
350,000	Neo Material Technologies Inc.	1,300,013	1,533,000
288,600	Opel International Inc.	303,718	202,020
475,000	Points International Ltd.	681,180	574,750
51,580	QuestAir Technologies Inc.	336,330	46,422
300,000	*Questair Technologies Inc. Warrants May 13, 2010	–	–
106,250	*Railpower Technologies Corporation Warrants Feb. 15, 2010	–	14,875
78,200	SNC-Lavalin Group Inc.	3,068,359	4,307,256
1,578,900	VRB Power Systems Inc.	871,330	339,464
135,000	Westjet Airlines Ltd.	1,789,253	1,694,250
150,000	Xantrex Technology Inc.	1,335,132	1,500,000
		39,326,116	50,462,481
Consumer Discretionary – 4.4%			
80,600	Astral Media Inc. Class A	1,448,340	2,580,006
48,600	Canadian Tire Corporation Ltd. Class A	2,862,763	2,569,968
70,400	Corus Entertainment Inc. Class B	1,028,133	1,277,760
29,700	Gildan Activewear Inc.	1,184,730	771,309
100,800	Magna International Inc. Class A	9,138,838	6,116,544
718,200	Peace Arch Entertainment Group	1,155,956	323,190
311,200	Rogers Communications Inc. Class B	8,571,697	12,311,072
138,900	Shaw Communications Inc. Class B	2,216,659	2,884,953
230,721	Thomson Reuters Corporation	9,546,730	7,558,420
31,300	Tim Hortons Inc.	1,061,227	913,334
		38,215,073	37,306,556
Consumer Staples – 1.4%			
104,200	Atrium Innovations Inc.	1,129,082	1,664,074
78,200	Saputo Inc.	1,230,856	2,266,236
120,000	Saskatchewan Wheat Pool Inc.	1,343,381	1,677,600
117,700	Shoppers Drug Mart Corporation	5,120,261	6,577,076
		8,823,580	12,184,986
Health Care – 0.4%			
630,000	*6550568 Canada Inc.	–	–
889,800	Bioniche Life Sciences Inc.	1,017,760	622,860
408,500	*Bioniche Life Sciences Inc. Warrants Mar. 13, 2009	–	81,700
866,093	Isotechnika Inc.	3,316,949	623,587
636,600	Medical Ventures Corporation	335,231	66,843
500,000	*Migenix Inc. Warrants December 6, 2011	–	–
73,700	Ondine Biopharma Corporation	138,832	63,382
1,000,000	ProMetic Life Sciences Inc.	575,497	375,000
1,500,000	Response Biomedical Corporation	1,069,782	780,000
50,000	*TM Bioscience Corporation Warrants May 1, 2009	5,500	10,595
25,285	*World Heart Corporation Warrants Sep. 22, 2008	–	–
373,900	YM BioSciences Inc.	1,101,836	355,081
		7,561,387	2,979,048
Financials – 19.5%			
162,500	Bank of Montreal	8,600,676	6,890,000
484,600	Bank of Nova Scotia, The	23,836,542	22,616,282
242,050	Brookfield Asset Management Inc. Class A	4,719,140	8,011,855
151,960	Canadian Imperial Bank of Commerce	10,934,234	8,497,603
80,000	Canadian Western Bank	1,925,553	1,980,000
289,700	Great-West Lifeco Inc.	8,484,473	8,441,858
50,800	IGM Financial Inc.	2,439,707	2,144,776
398	iUnits Canadian S&P/TSX Capped Energy Index Put Options $110.00 Jul. 19, 2008	112,236	85,570
366	iUnits Canadian S&P/TSX Capped Energy Index Put Options $105.00 Jul. 18, 2008	97,356	24,240
682,300	Manulife Financial Corporation	16,809,187	24,160,243
550,300	Power Corporation of Canada	16,864,065	17,031,785
678,370	Royal Bank of Canada	19,174,964	30,852,268
332,200	Sun Life Financial Services of Canada Inc.	14,548,518	13,869,350
330,810	Toronto-Dominion Bank	11,245,282	21,194,997
		139,791,933	165,800,827
Information Technology – 6.1%			
76,600	Absolute Software Corporation	929,594	798,938
483,400	Art Advanced Research Technologies Inc.	966,800	60,425
242,900	COM DEV International Ltd.	1,180,378	789,425
200,000	Descartes Systems Group Inc.	921,056	678,000
228,300	Exfo Electro-Optical Engineering Inc.	1,210,344	1,031,916
1,000,000	Grey Island Systems International Inc.	382,698	290,000
906,300	Intrinsyc Software Inc.	620,415	489,402

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Growth Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Information Technology (cont'd)			
500,000	iPico Inc.	600,000	225,000
500,000	*iPico Inc. Warrants Feb. 26, 2010	–	–
701,500	Nortel Networks Corporation	11,331,646	5,857,525
135,000	Open Text Corporation	4,023,661	4,349,664
404,800	OSI Geospatial Inc.	313,720	157,872
269,600	Research in Motion Ltd.	18,526,485	32,194,710
(287)	Research In Motion Ltd. Put Options $140.00 Jul. 18, 2008	(253,800)	(684,943)
281,300	Sierra Wireless Inc.	4,955,905	4,134,400
2,900,100	SIRIT Inc.	1,611,651	580,020
2,600,000	Yangaroo Inc.	650,000	312,000
		47,970,553	51,264,354
Telecommunication Services – 2.0%			
282,363	BCE Inc.	9,850,114	10,038,005
152,900	Telus Corporation	6,159,912	6,510,482
		16,010,026	16,548,487
Utilities – 2.0%			
102,700	Enbridge Inc.	2,262,430	4,521,881
500,000	Pristine Power Inc.	2,000,000	1,925,000
97,200	TransAlta Corporation	2,056,638	3,494,340
182,800	TransCanada Corporation	6,869,275	7,193,180
		13,188,343	17,134,401
Income Trust Units – 2.4%			
175,000	Aeroplan Income Fund	2,953,781	2,976,750
43,800	Bonavista Energy Trust	1,355,759	1,640,310
228,100	Canadian Oil Sands Trust	6,785,993	12,474,789
104,100	Precision Drilling Trust	3,070,139	2,861,709
		14,165,672	19,953,558
	TOTAL CANADIAN EQUITIES	480,925,521	652,677,224
FOREIGN EQUITIES – 19.2%			
United States – 19.1%			
59,755	Abbott Laboratories	3,233,392	3,221,501
39,550	Adobe Systems Inc.	1,701,291	1,588,873
117,779	AT&T Inc.	4,279,845	4,034,918
44,819	Bank of New York Company Inc.	2,028,694	1,728,326
38,700	Baxter International Inc.	2,310,528	2,520,558
20,000	Boeing Company (The)	1,480,232	1,340,350
200	Boeing Company (The) Put Options $70.00 Jul. 18, 2008	45,626	95,870
32,661	Chesapeake Energy Corporation	1,236,383	2,197,187
21,048	Chevron Corporation	1,830,965	2,125,859
30,884	Chubb Corporation	1,626,443	1,543,743
343,360	Cisco Systems Inc.	9,426,133	8,145,472
60,000	Cognizant Technology Solution Corporation	1,924,232	1,973,503
24,962	Colgate-Palmolive Company	1,853,759	1,757,159
28,800	ConocoPhillips	2,555,335	2,766,356
77,000	Corning Inc.	1,820,377	1,810,166
42,287	CVS Caremark Corporation	1,635,857	1,704,436
22,590	Deere & Company	1,751,775	1,661,839
17,985	Eaton Corporation	1,607,555	1,558,594
45,822	Eli Lilly & Company	2,379,577	2,153,960
175,000	EMC Corporation	3,303,917	2,618,334
78	Energy Select Sector Put Options $84.00 Jul. 19, 2008	24,343	6,762
15,269	Entergy Corporation	1,770,666	1,872,944
23,263	Exelon Corporation	1,862,374	2,132,483
21,778	Express Scripts Inc.	1,592,888	1,393,095
29,884	Exxon Mobil Corporation	2,619,293	2,677,244
12,100	Flowserve Corporation	1,313,875	1,681,800
41,500	Forest Laboratories Inc.	1,602,500	1,470,397
5,699	Freeport-McMoran Copper & Gold Inc. Class B	592,723	681,155
31,994	Gilead Sciences Inc.	1,448,070	1,727,792
12,431	Goldman Sachs Group Inc.	2,485,464	2,211,359
3,492	Google Inc.	2,081,041	1,874,837
20,000	Herbalife Ltd.	840,169	790,421
15,059	Hess Corporation	1,409,411	1,937,954
34,670	Hewlett-Packard Company	1,663,328	1,560,078
38,817	Honeywell International Inc.	2,215,246	1,988,179
50,888	Host Hotels & Resorts Inc.	874,866	707,924
300,000	IShares MSCI Emerging Market Index	44,329,375	41,431,322
46,459	JPMorgan Chase & Company	2,037,887	1,625,726
35,500	KBW Regional Banking ETF	1,021,002	959,469
29,670	Kellogg Company	1,502,635	1,451,288
28,053	Lincoln National Corporation	1,599,262	1,293,799
16,267	Lockheed Martin Corporation	1,746,632	1,635,178
27,721	McDonald's Corporation	1,525,684	1,587,789
42,200	McGraw-Hill Companies Inc.	1,691,033	1,724,171
38,477	MEMC Electronic Materials Inc.	2,613,081	2,414,206
250,000	Micron Technology Inc.	1,584,124	1,524,748
300,000	Microsoft Corporation	8,840,978	8,417,220
29,400	Molson Coors Brewing Company Class B	1,541,580	1,629,085
31,600	Morgan Stanley	1,615,275	1,160,881
12,587	Nucor Corporation	776,125	958,573
100,000	Oracle Corporation	2,005,783	2,141,786
28,253	PepsiCo Inc.	2,019,883	1,832,069
25,299	Philip Morris International Inc.	1,360,929	1,272,575
8,129	Praxair Inc.	663,167	780,409
390	S&P 500 Depository Receipts Put Options $128.00 Jul.18, 2008	126,292	99,440
390	S&P 500 Depository Receipts Put Options $129.00 Jul.18, 2008	116,309	117,737
37,252	Snap-On Inc.	1,566,658	1,975,649
10,000	Sunpower Corporation Class A	747,115	734,123
13,337	Transocean Inc.	1,660,651	2,070,011
277,300	US Geothermal Inc.	634,060	823,581
50,000	Valueclick Inc.	1,384,737	764,924
36,820	Verizon Communications Inc.	1,583,339	1,327,111
58,890	Walt Disney Company	1,885,977	1,871,526
76,792	Wells Fargo & Company	2,287,829	1,853,835
40,794	Western Digital Corporation	1,132,036	1,436,646
400,000	Western Goldfields Inc.	1,113,423	932,000
500,000	World Energy Solutions Inc.	423,732	625,000
64,200	Zions Bancorporation	2,843,935	2,061,885
		168,408,701	161,795,190
Australia – 0.1%			
150,000	Moly Mines Ltd.	483,250	448,500
United Kingdom – 0.0%			
63	Reckitt Benkiser PLC	3,829	3,254
188	Standard Chartered PLC	6,287	5,422
		10,116	8,676
	TOTAL FOREIGN EQUITIES	168,902,067	162,252,366
	TOTAL EQUITIES	649,827,588	814,929,590
Currency Options – 0.0%			
5,000,000	Canadian Dollar Written Call Options $0.98 Jul.21, 2008	70,385	1,734
SHORT-TERM NOTES – 2.9%			
25,010,000	Government of Canada Treasury Bills 2.50% to 2.72% due from Jul. 10, 2008 to Oct. 16, 2008	24,827,411	24,898,558
	TOTAL INVESTMENT PORTFOLIO	674,725,384	839,829,882
	OTHER ASSETS, LESS LIABILITIES – 0.5%		4,291,565
	TOTAL NET ASSETS – 100.0%		844,121,447

* This security is not actively traded.

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Canadian Growth Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Growth Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	182,856,171	21.7
Total	182,856,171	21.7

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $18,285,617 (approximately 2.2% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $71,713,804 (approximately 8.5% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Small Cap Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$180,553,951	$206,208,476
Cash	164,342	107,877
Accrued investment income	479,168	241,417
Subscriptions receivable	132,376	128,184
	181,329,837	206,685,954
LIABILITIES		
Payable for securities purchased	619,276	–
Distributions payable	–	58
Redemptions payable	74,305	157,099
Accrued expenses	137,141	158,044
	830,722	315,201
Net assets	$180,499,115	$206,370,753
NET ASSETS PER CLASS		
Class A Units	$ 63,453,129	$ 71,490,806
Class I Units	$117,045,986	$107,565,904
Scotia Private Client Units	$ –	$ 27,314,043
UNITS OUTSTANDING		
Class A Units	2,971,841	3,227,114
Class I Units	4,922,147	4,417,374
Scotia Private Client Units	–	1,123,676
NET ASSETS PER UNIT		
Class A Units	$ 21.35	$ 22.15
Class I Units	$ 23.78	$ 24.35
Scotia Private Client Units	$ –	$ 24.31

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 788,096	$ 754,066
Interest	1,193,447	1,042,548
Securities lending	77,474	106,009
	2,059,017	1,902,623
EXPENSES		
Management fees (note 4)	667,045	861,413
Audit fees	8,672	8,097
Independent Review Committee fees	357	239
Custodian fees	7,528	9,733
Filing fees	15,126	14,815
Legal fees	4,948	2,660
Unitholder reporting	14,208	11,458
Unitholder administration, service fees and GST	125,015	162,135
	842,899	1,070,550
Absorbed expenses	(11,715)	(8,549)
	831,184	1,062,001
Net investment income (loss)	1,227,833	840,622
Net realized gain (loss) on investments sold	6,495,620	8,775,591
Net realized gain (loss) on foreign exchange	4,420	(64,876)
Transaction costs	(190,551)	(356,975)
Change in unrealized appreciation (depreciation) of investments	(12,517,482)	9,367,853
Net gain (loss) on investments and transaction costs	(6,207,993)	17,721,593
Increase (decrease) in net assets from operations	$ (4,980,160)	$18,562,215
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (2,524,801)	$ 8,024,132
Class F Units	$ –	$ 779
Class I Units	$ (2,677,457)	$ 7,332,550
Scotia Private Client Units	$ 222,098	$ 3,204,754
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.82)	$ 2.34
Class F Units	$ –	$ 2.30
Class I Units	$ (0.57)	$ 2.76
Scotia Private Client Units	$ 0.57	$ 2.80

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 71,490,806	$ 86,706,559
Class I Units	107,565,904	53,108,624
Scotia Private Client Units	27,314,043	30,063,706
	206,370,753	169,878,889
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(2,524,801)	8,024,132
Class F Units	–	779
Class I Units	(2,677,457)	7,332,550
Scotia Private Client Units	222,098	3,204,754
	(4,980,160)	18,562,215
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,294,116	2,379,158
Class F Units	–	8,861
Class I Units	15,456,125	52,387,613
Scotia Private Client Units	25,874	4,265,934
Reinvested distributions		
Class A Units	145	622
Payments on redemption		
Class A Units	(6,807,137)	(13,101,834)
Class F Units	–	(9,640)
Class I Units	(3,298,586)	(15,386,150)
Scotia Private Client Units	(27,562,015)	(4,889,848)
	(20,891,478)	25,654,716
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(8,037,677)	(2,697,922)
Class I Units	9,480,082	44,334,013
Scotia Private Client Units	(27,314,043)	2,580,840
	(25,871,638)	44,216,931
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	63,453,129	84,008,637
Class I Units	117,045,986	97,442,637
Scotia Private Client Units	–	32,644,546
	$180,499,115	$214,095,820

The accompanying notes are an integral part of the financial statements

Scotia Canadian Small Cap Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 89.6%			
CANADIAN EQUITIES – 85.4%			
Energy – 21.3%			
600,000	Bow Valley Energy Ltd.	3,601,767	3,702,000
250,000	Crew Energy Inc.	2,651,730	4,617,500
100,000	Flint Energy Services Ltd.	2,504,074	2,464,000
217,000	Galleon Energy Inc.	3,651,251	4,470,200
340,000	Highpine Oil & Gas Ltd.	4,319,064	4,542,400
505,000	HSE Integrated Ltd.	959,500	520,150
650,000	Iteration Energy Ltd.	4,104,454	5,362,500
45,000	Major Drilling Group International Inc.	730,815	2,250,000
150,000	Opti Canada Inc.	3,141,013	3,465,000
1,098,600	Terra Energy Corporation	1,425,054	2,307,060
725,000	Tusk Energy Corporation	1,849,408	2,102,500
625,000	West Energy Ltd.	3,857,740	2,406,250
		32,795,870	38,209,560
Materials – 12.2%			
150,000	Aurelian Resources Inc.	1,247,834	846,000
450,000	European Goldfields Ltd.	2,261,960	2,137,500
2,000,000	European Minerals Corporation	2,396,794	1,940,000
145,000	Hudbay Minerals Inc.	1,538,471	2,054,650
1,350,000	Ivernia Inc.	2,059,231	918,000
225,000	Minefinders Corporation Ltd.	2,094,145	2,358,000
300,000	Osisko Mining Corporation	1,132,976	1,293,000
185,000	Quadra Mining Ltd.	1,776,143	3,923,850
85,000	Russel Metals Inc.	2,255,424	2,567,000
50,000	Seabridge Gold Inc.	1,482,825	1,117,500
190,000	Sherritt International Corporation	2,775,588	2,914,600
		21,021,391	22,070,100
Industrials – 11.3%			
750,000	Allen-Vanguard Corporation	2,906,576	1,845,000
295,000	Azure Dynamics Corporation	250,750	61,950
550,000	Canam Manac Group Inc. Class A	3,628,025	5,522,000
250,000	Ceramic Protection Corporation	3,212,058	675,000
475,000	CPI Plastics Group Ltd.	2,931,114	142,500
700,000	Neo Material Technologies Inc.	1,400,000	3,066,000
300,000	New Flyer Industries Inc.	2,618,566	3,681,000
500,000	Prosep Inc.	597,535	175,000
250,000	Pure Technologies Ltd.	544,183	660,000
100,000	QuestAir Technologies Inc.	512,640	90,000
697,800	*Questair Technologies Inc. Warrants May 13, 2010	–	–
130,000	Transat A.T. Inc. Class B	2,652,037	2,619,500
150,000	Westjet Airlines Ltd.	2,272,211	1,882,500
		23,525,695	20,420,450
Consumer Discretionary – 7.4%			
70,000	Cogeco Cable Inc.	2,613,015	2,583,000
250,000	Great Canadian Gaming Corporation	2,530,500	2,270,000
28,430	Insta-Rent Inc.	6,823	4,265
550,000	Keystone North America Inc.	4,457,479	3,641,000
350,000	Le Chateau Inc.	4,111,967	4,326,000
150,000	MEGA Brands Inc.	3,692,492	600,000
		17,412,276	13,424,265
Consumer Staples – 4.8%			
400,000	Atrium Innovations Inc.	5,412,670	6,388,000
285,000	Jean Coutu Group Inc. Class A	2,836,771	2,342,700
		8,249,441	8,730,700
Health Care – 2.1%			
1,180,100	*6550568 Canada Inc.	–	–
325,000	Cangene Corporation	2,136,700	1,592,500
125,000	Cardiome Pharma Corporation	1,093,865	1,111,250
850,000	Isotechnika Inc.	2,190,741	612,000
300,000	*Migenix Inc. Warrants December 6, 2011	–	–
625,000	Ondine Biopharma Corporation	1,234,194	537,500

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Health Care (cont'd)			
5,900	*World Heart Corporation Warrants Sep. 22, 2008	–	–
		6,655,500	3,853,250
Financials – 7.8%			
200,000	Equitable Group Inc.	5,048,436	4,286,000
100,000	Home Capital Group Inc.	2,302,524	3,950,000
250,000	Killam Properties Inc.	1,879,664	1,840,000
275,000	Kingsway Financial Services Inc.	4,728,131	2,425,500
400,000	The Cash Store Financial	2,332,757	1,540,000
		16,291,512	14,041,500
Information Technology – 11.1%			
195,000	Aastra Technologies Ltd.	3,487,201	4,309,500
165,000	Absolute Software Corporation	1,630,504	1,720,950
600,000	COM DEV International Ltd.	2,602,393	1,950,000
175,000	Corel Corporation	2,559,511	1,793,750
400,000	Exfo Electro-Optical Engineering Inc.	2,732,636	1,808,000
165,600	Gennum Corporation	1,895,309	1,515,240
750,000	Intrinsyc Software Inc.	660,401	405,000
250,000	*Intrinsyc Software International Inc. Warrants Mar. 30, 2010	–	–
500,000	Matrikon Inc.	1,752,236	2,205,000
225,000	Miranda Technologies Inc.	1,935,000	1,723,500
175,000	Sierra Wireless Inc.	2,964,757	2,612,750
		22,219,948	20,043,690
Income Trust Units – 7.4%			
175,000	BFI Canada Income Fund	4,708,005	4,053,000
445,541	Eveready Income Fund Trust	2,305,492	1,586,126
150,000	North West Company Fund Trust	2,856,881	2,476,500
300,000	Total Energy Services Trust	1,543,199	2,505,000
250,000	Vicwest Income Fund	2,925,377	2,675,000
		14,338,954	13,295,626
	TOTAL CANADIAN EQUITIES	162,510,587	154,089,141
FOREIGN EQUITIES – 4.2%			
United States – 2.6%			
155,000	Horsehead Holding Corporation	3,121,605	1,919,143
1,200,000	Western Goldfields Inc.	2,694,994	2,796,000
		5,816,599	4,715,143
Australia – 0.9%			
1,400,000	Centamin Egypt Ltd.	1,311,280	1,624,000
United Kingdom – 0.7%			
2,300,000	European Nickel PLC	1,708,290	1,307,703
	TOTAL FOREIGN EQUITIES	8,836,169	7,646,846
	TOTAL EQUITIES	171,346,756	161,735,987
SHORT-TERM NOTES – 10.4%			
18,465,000	Government of Canada Treasury Bills 2.50% to 2.77% due from Jul. 10, 2008 to Oct. 2, 2008	18,334,605	18,390,906
420,000 (US)	Canadian Wheat Board Commercial Paper 2.15% due Aug. 21, 2008	424,395	427,058
		18,759,000	18,817,964
	TOTAL INVESTMENT PORTFOLIO	190,105,756	180,553,951
	OTHER ASSETS, LESS LIABILITIES – 0.0%		(54,836)
	TOTAL NET ASSETS – 100.0%		180,499,115

* This Security is not actively traded.

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Small Cap Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Small Cap Fund (the "Fund") is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. Each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	3,489,962	1.9
British Pound	170,700	0.1
Total	3,660,662	2.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $366,066 (approximately 0.2% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $16,658,807 (approximately 9.2% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Resource Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$149,212,977	$128,025,086
Cash	2,362,327	158,266
Accrued investment income	141,740	111,917
Receivable for securities sold	3,116,741	–
Subscriptions receivable	282,520	76,736
	155,116,305	128,372,005
LIABILITIES		
Payable for securities purchased	3,550,201	–
Redemptions payable	113,799	58,239
Accrued expenses	290,238	244,073
	3,954,238	302,312
Net assets	$151,162,067	$128,069,693
NET ASSETS PER CLASS		
Class A Units	$151,162,067	$128,059,149
Class F Units	$ –	$ 10,544
UNITS OUTSTANDING		
Class A Units	5,814,214	5,537,248
Class F Units	–	441
NET ASSETS PER UNIT		
Class A Units	$ 26.00	$ 23.13
Class F Units	$ –	$ 23.92

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 481,527	$ 369,682
Interest	348,298	283,370
Securities lending	39,749	40,420
Foreign withholding taxes	(25,339)	(9,736)
	844,235	683,736
EXPENSES		
Management fees (note 4)	1,378,168	1,221,271
Audit fees	7,963	8,097
Independent Review Committee fees	395	211
Custodian fees	6,393	7,045
Filing fees	9,695	8,760
Legal fees	2,065	2,509
Unitholder reporting	15,290	10,400
Unitholder administration, service fees and GST	153,611	163,296
	1,573,580	1,421,589
Absorbed expenses	(2,558)	(3,022)
	1,571,022	1,418,567
Net investment income (loss)	(726,787)	(734,831)
Net realized gain (loss) on investments sold	10,327,911	14,113,681
Net realized gain (loss) on foreign exchange	21,418	(222,933)
Transaction costs	(123,521)	(158,936)
Change in unrealized appreciation (depreciation) of investments	6,544,242	(1,147,467)
Net gain (loss) on investments and transaction costs	16,770,050	12,584,345
Increase (decrease) in net assets from operations	$16,043,263	$11,849,514
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$16,042,362	$11,846,443
Class F Units	$ 901	$ 3,071
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 2.85	$ 2.14
Class F Units	$ 2.70	$ 2.65

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$128,059,149	$118,849,693
Class F Units	10,544	25,574
	128,069,693	118,875,267
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	16,042,362	11,846,443
Class F Units	901	3,071
	16,043,263	11,849,514
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	20,371,667	13,368,811
Payments on redemption		
Class A Units	(13,311,111)	(16,204,119)
Class F Units	(11,445)	(9,600)
	7,049,111	(2,844,908)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	23,102,918	9,011,135
Class F Units	(10,544)	(6,529)
	23,092,374	9,004,606
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	151,162,067	127,860,828
Class F Units	–	19,045
	$151,162,067	$127,879,873

The accompanying notes are an integral part of the financial statements

Scotia Resource Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 91.5%			
CANADIAN EQUITIES – 66.1%			
Energy – 30.3%			
127,300	Angle Energy Inc.	1,056,384	1,083,323
185,000	Antrim Energy Inc.	318,923	619,750
300,000	Bow Valley Energy Ltd.	1,738,650	1,851,000
27,500	Duvernay Oil Corporation	873,681	1,709,950
80,000	Flint Energy Services Ltd.	1,899,346	1,971,200
475,000	Gentry Resources Ltd.	1,397,500	1,909,500
175,000	Highpine Oil & Gas Ltd.	2,352,599	2,338,000
250,000	HSE Integrated Ltd.	475,000	257,500
275,000	Iteration Energy Ltd.	1,722,076	2,268,750
100,000	Nexen Inc.	3,300,059	4,045,000
17,000	Niko Resources Ltd.	582,336	1,659,030
140,000	Opti Canada Inc.	2,641,910	3,234,000
330,000	Paladin Resources Ltd.	1,657,315	2,055,900
100,000	Petro-Canada	4,041,594	5,617,000
30,000	Petrobank Energy & Resources Ltd.	416,859	1,588,800
425,000	Prospex Resources Ltd.	1,811,627	1,466,250
100,000	*Purcell Energy Ltd. Warrants Jul. 23, 2008	–	–
85,000	Suncor Energy Inc.	3,006,365	5,022,650
170,000	Talisman Energy Inc.	2,131,429	3,838,600
575,000	Tusk Energy Corporation	1,688,680	1,667,500
400,000	West Energy Ltd.	1,901,414	1,540,000
		35,013,747	45,743,703
Materials – 32.5%			
175,000	Anatolia Minerals Development	553,839	596,750
175,000	Aurelian Resources Inc.	1,119,721	987,000
130,000	Barrick Gold Corporation	4,608,757	5,909,800
2,500,000	Blue Note Mining Inc.	750,000	337,500
57,500	Cameco Corporation	2,165,424	2,513,325
275,000	Centenario Copper Corporation	1,605,850	1,485,000
142,857	Coalcorp Mining Inc.	600,000	252,857
71,428	*Coalcorp Mining Inc. Warrants Feb. 08, 2011	–	5,714
325,000	Equinox Minerals Ltd.	677,242	1,443,000
325,000	European Goldfields Ltd.	1,617,080	1,543,750
1,250,000	European Minerals Corporation	1,201,794	1,212,500
175,000	*European Minerals Corporation Warrants Apr. 11, 2010	–	44,625
27,500	First Quantum Minerals Ltd.	1,012,420	1,933,250
85,000	Goldcorp Inc.	2,314,732	3,880,250
100,000	Hudbay Minerals Inc.	707,325	1,417,000
38,500	Inmet Mining Corporation	2,311,290	2,598,750
1,000,000	Ivernia Inc.	1,273,016	680,000
80,000	Kinross Gold Corporation	930,162	1,891,200
135,000	Minefinders Corporation Ltd.	1,256,487	1,414,800
170,000	Osisko Mining Corporation	590,928	732,700
130,000	Quadra Mining Ltd.	1,259,013	2,757,300
500,000	Scorpio Mining Corporation	683,008	615,000
35,000	Seabridge Gold Inc.	1,037,978	782,250
110,000	Sherritt International Corporation	1,561,610	1,687,400
65,000	Silver Standard Resources Inc.	1,976,581	1,890,200
200,000	Skye Resources Inc.	1,229,542	1,712,000
350,000	Strategic Resource Acquisition	1,172,770	315,000
90,000	Teck Cominco Ltd. Class B	2,639,817	4,404,600
90,000	Thompson Creek Metals Company Inc.	1,423,302	1,783,800
140,000	Yamana Gold Inc.	827,676	2,356,200
		39,107,364	49,183,521
Utilities – 1.5%			
50,000	Enbridge Inc.	1,850,928	2,201,500

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
CANADIAN EQUITIES (cont'd)			
Income Trust Units – 1.8%			
314,499	Eveready Income Fund Trust	1,341,355	1,119,615
200,000	Total Energy Services Trust	1,881,600	1,670,000
		3,222,955	2,789,615
	TOTAL CANADIAN EQUITIES	79,194,994	99,918,339
FOREIGN EQUITIES – 25.4%			
United States – 19.9%			
95,000	Alcoa Inc.	3,443,541	3,451,234
20,000	Century Aluminum Company	663,772	1,319,748
55,000	ConocoPhillips	3,756,874	5,282,971
45,000	DuPont (E.I.) de Nemours & Company	2,431,603	1,967,078
20,000	Freeport-McMoran Copper & Gold Inc. Class B	1,725,713	2,390,437
125,000	Horsehead Holding Corporation	2,289,819	1,547,696
67,500	Marathon Oil Corporation	3,350,310	3,568,828
50,000	Nabors Industries Ltd.	1,771,563	2,506,910
30,000	Nucor Corporation	2,248,472	2,284,674
10,000	Transocean Inc.	1,419,282	1,552,081
47,500	Valero Energy Corporation	2,758,992	1,993,034
31,500	XTO Energy Inc.	530,730	2,198,758
		26,390,671	30,063,449
Australia – 1.9%			
1,100,000	Centamin Egypt Ltd.	1,115,020	1,276,000
55,000	Newcrest Mining Ltd.	672,573	1,582,709
		1,787,593	2,858,709
United Kingdom – 3.6%			
90,000	Anglo American PLC ADR	2,266,707	3,253,985
1,050,000	European Nickel PLC	766,787	596,927
250,000	European Nickel PLC	214,905	142,250
3,000	Rio Tinto PLC ADR	541,010	1,514,549
		3,789,409	5,507,711
	TOTAL FOREIGN EQUITIES	31,967,673	38,429,869
	TOTAL EQUITIES	111,162,667	138,348,208
SHORT-TERM NOTES – 7.2%			
10,920,000	Government of Canada Treasury Bills 2.32% to 2.68% due from Jul. 10, 2008 to Oct. 16, 2008	10,843,052	10,864,769
	TOTAL INVESTMENT PORTFOLIO	122,005,719	149,212,977
	OTHER ASSETS, LESS LIABILITIES – 1.3%		1,949,090
	TOTAL NET ASSETS – 100.0%		151,162,067

* This security is not actively traded.

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Resource Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Resource Fund (the "Fund") is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	37,706,148	24.9
Australian Dollar	1,582,709	1.0
British Pound	142,250	0.1
Total	39,431,107	26.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $3,943,111 (approximately 2.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $13,558,124 (approximately 9.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia U.S. Growth Fund
(formerly Scotia American Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$42,520,857	$50,428,387
Cash	678,890	102,254
Accrued investment income	30,279	46,238
Receivable for securities sold	2,080,823	–
Subscriptions receivable	49,742	6,302
	45,360,591	50,583,181
LIABILITIES		
Payable for securities purchased	1,954,570	–
Redemptions payable	70,781	31,475
Accrued expenses	98,006	113,412
	2,123,357	144,887
Net assets	$43,237,234	$50,438,294
NET ASSETS PER CLASS		
Class A Units	$43,227,936	$50,428,123
Class F Units	$ 9,298	$ 10,171
UNITS OUTSTANDING		
Class A Units	5,299,407	5,622,048
Class F Units	1,128	1,128
NET ASSETS PER UNIT		
Class A Units	$ 8.16	$ 8.97
Class F Units	$ 8.24	$ 9.01

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 390,728	$ 1,132,659
Interest	14,628	84,054
Securities lending	553	637
Foreign withholding taxes	(58,070)	(113,184)
	347,839	1,104,166
EXPENSES		
Management fees (note 4)	456,350	624,384
Audit fees	4,951	7,135
Independent Review Committee fees	583	395
Custodian fees	7,493	8,004
Filing fees	9,125	8,940
Legal fees	2,553	3,503
Unitholder reporting	20,551	17,582
Unitholder administration, service fees and GST	156,432	206,700
	658,038	876,643
Absorbed expenses	(73,443)	(92,837)
	584,595	783,806
Net investment income (loss)	(236,756)	320,360
Net realized gain (loss) on investments sold	(1,643,991)	7,230,005
Net realized gain (loss) on foreign exchange	45,515	(142,953)
Transaction costs	(106,262)	(130,343)
Change in unrealized appreciation (depreciation) of investments	(2,536,577)	(8,399,287)
Net gain (loss) on investments and transaction costs	(4,241,315)	(1,442,578)
Increase (decrease) in net assets from operations	$(4,478,071)	$(1,122,218)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(4,477,198)	$(1,994,385)
Class F Units	$ (873)	$ –
Class I Units	$ –	$ 872,167
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.82)	$ (0.31)
Class F Units	$ (0.77)	$ –
Class I Units	$ –	$ 0.30

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$50,428,123	$ 65,916,743
Class F Units	10,171	–
Class I Units	–	45,156,623
	50,438,294	111,073,366
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(4,477,198)	(1,994,385)
Class F Units	(873)	–
Class I Units	–	872,167
	(4,478,071)	(1,122,218)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,611,055	1,407,778
Class I Units	–	6,784,650
Payments on redemption		
Class A Units	(4,334,044)	(8,358,830)
Class I Units	–	(52,813,440)
	(2,722,989)	(52,979,842)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(7,200,187)	(8,945,437)
Class F Units	(873)	–
Class I Units	–	(45,156,623)
	(7,201,060)	(54,102,060)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	43,227,936	56,971,306
Class F Units	9,298	–
	$43,237,234	$ 56,971,306

The accompanying notes are an integral part of the financial statements

Scotia U.S. Growth Fund
(formerly Scotia American Growth Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 96.7%			
Energy – 13.7%			
13,833	Chesapeake Energy Corporation	544,701	930,580
9,918	Chevron Corporation	833,691	1,001,723
12,140	ConocoPhillips	1,076,064	1,166,096
34	Energy Select Sector Put Options $84.00 Jul. 19, 2008	10,611	2,948
12,686	Exxon Mobil Corporation	911,070	1,136,512
6,408	Hess Corporation	614,635	824,650
5,662	Transocean Inc.	555,466	878,788
		4,546,238	5,941,297
Materials – 2.5%			
2,623	Freeport-McMoran Copper & Gold Inc. Class B	191,711	313,506
5,415	Nucor Corporation	339,291	412,384
3,818	Praxair Inc.	196,312	366,540
		727,314	1,092,430
Industrials – 9.3%			
9,902	Deere & Company	710,151	728,443
8,002	Eaton Corporation	730,878	693,459
6,080	Flowserve Corporation	663,029	845,070
19,004	Honeywell International Inc.	1,042,022	973,371
7,789	Lockheed Martin Corporation	831,816	782,959
		3,977,896	4,023,302
Consumer Discretionary – 7.9%			
13,279	McDonald's Corporation	743,288	760,588
17,830	McGraw-Hill Companies Inc.	716,757	728,482
19,606	Snap-On Inc.	855,938	1,039,798
27,598	Walt Disney Company	988,431	877,065
		3,304,414	3,405,933
Consumer Staples – 11.2%			
13,093	Colgate-Palmolive Company	944,155	921,660
21,967	CVS Caremark Corporation	711,182	885,410
13,169	Kellogg Company	676,921	644,153
13,850	Molson Coors Brewing Company Class B	730,136	767,443
14,775	PepsiCo Inc.	1,000,138	958,087
13,245	Philip Morris International Inc.	710,070	666,242
		4,772,602	4,842,995
Health Care – 11.7%			
14,868	Abbott Laboratories	817,366	801,561
14,710	Baxter International Inc.	874,604	958,073
20,180	Eli Lilly & Company	1,133,241	948,603
9,606	Express Scripts Inc.	699,216	614,477
25,800	Forest Laboratories Inc.	957,852	914,127
15,393	Gilead Sciences Inc.	642,914	831,278
		5,125,193	5,068,119

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Financials – 14.8%			
18,826	Bank of New York Company Inc.	813,332	725,975
13,044	Chubb Corporation	683,596	652,007
5,923	Goldman Sachs Group Inc.	1,059,915	1,053,646
25,883	Host Hotels & Resorts Inc.	441,885	360,069
22,124	JPMorgan Chase & Company	1,028,167	774,179
340	KBW Bank ETF	10,310	9,820
16,560	KBW Regional Banking ETF	475,841	447,572
13,326	Lincoln National Corporation	911,155	614,592
15,030	Morgan Stanley	757,520	552,153
25,820	Wells Fargo & Company	855,075	623,320
17,880	Zions Bancorporation	830,380	574,245
		7,867,176	6,387,578
Information Technology – 16.1%			
18,546	Adobe Systems Inc.	769,148	745,063
30,861	Cisco Systems Inc.	869,503	732,110
1,583	Google Inc.	807,342	849,905
16,252	Hewlett-Packard Company	697,360	731,306
16,167	MEMC Electronic Materials Inc.	1,026,632	1,014,384
38,757	Microsoft Corporation	1,210,454	1,087,421
52,005	Oracle Corporation	986,178	1,113,836
19,267	Western Digital Corporation	545,917	678,528
		6,912,534	6,952,553
Telecommunication Services – 3.2%			
19,706	AT&T Inc.	662,407	675,096
19,234	Verizon Communications Inc.	729,603	693,255
		1,392,010	1,368,351
Utilities – 4.8%			
7,962	Entergy Corporation	758,623	976,644
12,136	Exelon Corporation	963,886	1,112,488
		1,722,509	2,089,132
Index Units – 1.5%			
4,390	S&P 500 Depository Receipts	609,776	573,012
170	S&P 500 Depository Receipts Put Options $128.00 Jul.18, 2008	55,050	43,346
170	S&P 500 Depository Receipts Put Options $129.00 Jul.18, 2008	50,699	51,321
		715,525	667,679
	TOTAL EQUITIES	41,063,411	41,839,369
Currency Options – 0.0%			
2,300,000	Canadian Dollar Written Call Options $0.98 Jul.21, 2008	32,377	798
SHORT TERM NOTES – 1.6%			
230,000 (US)	Canadian Wheat Board Commercial Paper 2.04% due Sep. 10, 2008	234,435	233,637
440,000 (US)	Export Development Corporation Commercial Paper 2.05% to 2.10% due from Aug. 27, 2008 to Sep. 16, 2008	447,545	447,053
		681,980	680,690
	TOTAL INVESTMENT PORTFOLIO	41,777,768	42,520,857
	OTHER ASSETS, LESS LIABILITIES - 1.7%		716,377
	TOTAL NET ASSETS - 100.0%		43,237,234

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia U.S. Growth Fund
(formerly Scotia American Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia U.S. Growth Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	43,106,086	99.7
Total	43,106,086	99.7

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $4,310,609 (approximately 10.0% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $3,807,383 (approximately 8.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia U.S. Value Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$100,989,706	$ 97,244,191
Cash	4,827,158	3,370,990
Accrued investment income	136,799	48,405
Subscriptions receivable	112,572	83,237
	106,066,235	100,746,823
LIABILITIES		
Payable for securities purchased	373,831	–
Redemptions payable	46,852	90,411
Accrued expenses	50,024	56,407
	470,707	146,818
Net assets	$105,595,528	$100,600,005
NET ASSETS PER CLASS		
Class A Units	$ 20,469,402	$ 23,594,827
Class I Units	$ 85,126,126	$ 77,005,178
UNITS OUTSTANDING		
Class A Units	2,832,475	3,021,350
Class I Units	11,452,766	9,700,192
NET ASSETS PER UNIT		
Class A Units	$ 7.23	$ 7.81
Class I Units	$ 7.43	$ 7.94

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,039,759	$ 367,576
Interest	39,878	277,515
Foreign withholding taxes	(149,150)	(48,607)
	930,487	596,484
EXPENSES		
Management fees (note 4)	218,681	303,923
Audit fees	7,851	5,068
Independent Review Committee fees	252	174
Custodian fees	3,686	3,013
Filing fees	8,589	12,553
Legal fees	1,692	11,796
Unitholder reporting	11,269	8,926
Unitholder administration, service fees and GST	87,992	102,031
	340,012	447,484
Absorbed expenses	(44,141)	(73,556)
	295,871	373,928
Net investment income (loss)	634,616	222,556
Net realized gain (loss) on investments sold	(1,605,970)	243,611
Net realized gain (loss) on foreign exchange	142,287	(379,438)
Transaction costs	(44,357)	(115,814)
Change in unrealized appreciation (depreciation) of investments	(6,059,062)	(4,414,975)
Net gain (loss) on investments and transaction costs	(7,567,102)	(4,666,616)
Increase (decrease) in net assets from operations	$(6,932,486)	$(4,444,060)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(1,714,427)	$(1,506,155)
Class F Units	$ –	$ 137
Class I Units	$(5,218,059)	$(2,938,042)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.59)	$ (0.43)
Class F Units	$ –	$ 0.88
Class I Units	$ (0.49)	$ (0.30)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 23,594,827	$ 32,704,549
Class F Units	–	5,637
Class I Units	77,005,178	–
	100,600,005	32,710,186
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(1,714,427)	(1,506,155)
Class F Units	–	137
Class I Units	(5,218,059)	(2,938,042)
	(6,932,486)	(4,444,060)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,045,549	777,182
Class I Units	14,525,997	86,384,938
Payments on redemption		
Class A Units	(2,456,547)	(4,765,213)
Class F Units	–	(5,774)
Class I Units	(1,186,990)	(773,773)
	11,928,009	81,617,360
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,125,425)	(5,494,186)
Class F Units	–	(5,637)
Class I Units	8,120,948	82,673,123
	4,995,523	77,173,300
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	20,469,402	27,210,363
Class F Units	–	–
Class I Units	85,126,126	82,673,123
	$105,595,528	$109,883,486

The accompanying notes are an integral part of the financial statements

Scotia U.S. Value Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 95.6%			
UNITED STATES – 89.4%			
Energy – 8.8%			
44,700	ConocoPhillips	3,520,218	4,293,614
99,000	Weatherford International Ltd.	2,745,205	5,001,040
		6,265,423	9,294,654
Materials – 2.9%			
30,400	Air Products and Chemicals Inc.	2,577,255	3,060,804
Industrials – 9.1%			
37,000	Boeing Company	3,764,905	2,479,648
40,400	Deere & Company	2,702,858	2,972,036
31,300	Northrop Grumman Corporation	2,633,381	2,135,636
52,500	Thomas & Betts Corporation	2,886,330	2,023,988
		11,987,474	9,611,308
Consumer Discretionary – 6.9%			
75,000	Home Depot Inc.	1,956,187	1,786,862
51,000	J.C. Penney Company Inc.	4,279,094	1,887,097
190,000	Time Warner Inc.	4,130,365	2,858,265
97,000	Warner Music Group Corporation	1,801,232	705,372
		12,166,878	7,237,596
Consumer Staples – 17.0%			
77,000	Archer-Daniels-Midland Company	3,290,169	2,644,963
120,000	ConAgra Foods Inc.	2,802,320	2,359,637
61,100	Estee Lauder Companies Inc. Class A	3,132,577	2,892,699
44,000	Kellogg Company	2,600,092	2,152,230
92,500	Safeway Inc.	3,015,201	2,693,424
86,000	Sysco Corporation	3,088,022	2,411,182
51,000	UST Inc.	3,287,948	2,836,888
		21,216,329	17,991,023
Health Care – 10.0%			
59,000	Baxter International Inc.	3,709,059	3,842,711
51,000	Eli Lilly & Company	2,884,014	2,397,363
45,000	Hospira Inc.	2,096,964	1,840,406
39,000	Universal Health Services Inc. Class B	2,560,580	2,509,470
		11,250,617	10,589,950
Financials – 15.8%			
50,500	AFLAC Inc.	2,859,849	3,230,900
65,000	American International Group Inc.	4,061,868	1,750,145
133,000	Charles Schwab Corporation	2,836,149	2,786,178
62,000	Financial Select Sector SPDR Fund	1,653,413	1,274,159
80,500	JPMorgan Chase & Company	4,547,338	2,816,913
46,000	Morgan Stanley	3,360,860	1,689,890
205,000	Synovus Financial Corporation	2,368,211	1,825,261
42,000	Zions Bancorporation	2,262,620	1,348,897
		23,950,308	16,722,343
Information Technology – 15.7%			
24,500	Apple Computer Inc.	2,673,300	4,183,908
90,000	EMC Corporation	1,510,407	1,346,572
26,500	International Business Machines Corporation	2,862,119	3,197,600
89,000	Molex Inc. Class A	2,551,118	2,001,499
169,000	Oracle Corporation	3,552,430	3,619,619
77,000	Texas Instruments Inc.	2,833,652	2,208,324
		15,983,026	16,557,522
Utilities – 3.2%			
70,500	Dominion Resources Inc.	3,417,084	3,410,351
		108,814,394	94,475,551
FOREIGN EQUITIES – 6.2%			
United Kingdom – 4.4%			
36,200	Diageo PLC ADR	3,158,028	2,727,304
64,500	Vodafone Group PLC ADR	2,149,385	1,937,980
		5,307,413	4,665,284
Japan – 1.8%			
206,000	Mitsubishi UFJ Financial Group	2,378,147	1,848,871
	TOTAL INVESTMENT PORTFOLIO	116,499,954	100,989,706
	OTHER ASSETS, LESS LIABILITIES – 4.4%		4,605,822
	TOTAL NET ASSETS – 100.0%		105,595,528

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia U.S. Value Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia U.S. Value Fund (the "Fund") is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	105,736,263	100.1
Total	105,736,263	100.1

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $10,573,626 (approximately 10.0% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $9,291,053 (approximately 8.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia International Value Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$104,208,378	$104,347,948
Cash	4,049,942	4,236,775
Accrued investment income	263,529	162,758
Subscriptions receivable	119,049	83,300
	108,640,898	108,830,781
LIABILITIES		
Distributions payable	–	208
Redemptions payable	52,408	91,596
Accrued expenses	42,189	60,327
	94,597	152,131
Net assets	$108,546,301	$108,678,650
NET ASSETS PER CLASS		
Class A Units	$ 15,700,364	$ 19,484,818
Advisor Class Units	$ 2,884	$ –
Class F Units	$ 12,409	$ 19,228
Class I Units	$ 92,830,644	$ 89,174,604
UNITS OUTSTANDING		
Class A Units	2,416,825	2,586,182
Advisor Class Units	444	–
Class F Units	1,774	2,382
Class I Units	13,866,056	11,630,729
NET ASSETS PER UNIT		
Class A Units	$ 6.50	$ 7.53
Advisor Class Units	$ 6.49	$ –
Class F Units	$ 7.00	$ 8.07
Class I Units	$ 6.69	$ 7.67

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 2,623,148	$ 672,753
Interest	85,475	155,592
Capital gains distributions received	–	2,862,745
Foreign withholding taxes	(270,331)	(128,532)
	2,438,292	3,562,558
EXPENSES		
Management fees (note 4)	189,762	287,856
Audit fees	8,358	5,068
Independent Review Committee fees	219	147
Custodian fees	15,314	12,890
Filing fees	8,565	12,407
Legal fees	1,605	8,656
Unitholder reporting	10,330	7,856
Unitholder administration, service fees and GST	82,470	88,394
	316,623	423,274
Absorbed expenses	(39,602)	(67,388)
	277,021	355,886
Net investment income (loss)	2,161,271	3,206,672
Net realized gain (loss) on investments sold	(1,426,164)	4,058,827
Net realized gain (loss) on foreign exchange	(38,604)	58,997
Transaction costs	(45,916)	(219,500)
Change in unrealized appreciation (depreciation) of investments	(15,463,280)	(12,139,902)
Net gain (loss) on investments and transaction costs	(16,973,964)	(8,241,578)
Increase (decrease) in net assets from operations	$(14,812,693)	$ (5,034,906)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (2,595,155)	$ (758,333)
Advisor Class Units+	$ (216)	$ –
Class F Units	$ (2,309)	$ (299)
Class I Units	$(12,215,013)	$ (4,276,274)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (1.04)	$ (0.27)
Advisor Class Units+	$ (0.56)	$ –
Class F Units	$ (1.22)	$ (0.11)
Class I Units	$ (0.94)	$ (0.45)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 19,484,818	$ 27,033,407
Class F Units	19,228	37,306
Class I Units	89,174,604	–
	108,678,650	27,070,713
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(2,595,155)	(758,333)
Advisor Class Units+	(216)	–
Class F Units	(2,309)	(299)
Class I Units	(12,215,013)	(4,276,274)
	(14,812,693)	(5,034,906)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,018,071	2,496,063
Advisor Class Units+	3,100	–
Class I Units	20,449,403	94,836,523
Payments on redemption		
Class A Units	(2,207,370)	(3,561,593)
Class F Units	(4,510)	(13,933)
Class I Units	(4,578,350)	(916,121)
	14,680,344	92,840,939
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,784,454)	(1,823,863)
Advisor Class Units+	2,884	–
Class F Units	(6,819)	(14,232)
Class I Units	3,656,040	89,644,128
	(132,349)	87,806,033
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	15,700,364	25,209,544
Advisor Class Units+	2,884	–
Class F Units	12,409	23,074
Class I Units	92,830,644	89,644,128
	$108,546,301	$114,876,746

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia International Value Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 96.0%			
CANADIAN EQUITIES – 1.7%			
30,100	Magna International Inc. Class A	2,459,613	1,814,614
FOREIGN EQUITIES – 94.3%			
Australia – 2.3%			
516,575	Amcor Ltd.	3,523,514	2,547,805
Bermuda – 3.6%			
59,625	RenaissanceRe Holdings Ltd.	3,547,420	2,716,447
58,075	XL Capital Ltd. Class A	4,582,882	1,208,896
		8,130,302	3,925,343
France – 11.8%			
648,300	Alcatel SA	6,964,196	3,981,215
138,125	Credit Agricole SA	5,517,383	2,854,881
138,125	Credit Agricole SA Rights	–	168,583
34,900	Thales SA	2,372,978	2,025,235
97,750	Vivendi Universal SA	4,561,469	3,774,544
		19,416,026	12,804,458
Greece – 0.7%			
21,075	Public Power Corporation SA	625,148	747,524
Hong Kong – 2.7%			
6,499,000	Johnson Electric Holdings Ltd.	4,569,508	2,954,945
Ireland – 0.9%			
32,600	Kerry Group PLC Class A	1,079,833	983,961
Italy – 1.7%			
68,325	Finmeccanica SpA	2,269,579	1,820,284
Japan – 19.0%			
35,600	Canon Inc.	1,563,276	1,861,786
532,100	Mitsubishi UFJ Financial Group Inc.	5,904,184	4,778,804
8,600	Nippon Television Network Corporation	1,200,136	1,002,310
187,000	Ricoh Co. Ltd.	4,239,139	3,453,236
523	Sumitomo Mitsui Financial Group Inc.	4,537,410	4,003,040
367,500	Sumitomo Rubber Industries Ltd.	3,933,984	2,803,042
25,400	Tokyo Electron Ltd.	1,473,789	1,490,094
17,725	USS Co. Ltd.	1,230,234	1,193,465
		24,082,152	20,585,777
Netherlands – 13.0%			
184,392	Aegon NV	3,979,863	2,484,655
133,950	ING Groep NV	6,415,801	4,317,723
124,000	Koninklijke (Royal) Philips Electronics NV	5,247,916	4,270,993
105,300	Unilever NV	3,342,806	3,045,884
		18,986,386	14,119,255
Norway – 1.7%			
139,500	DnB NOR ASA	2,139,113	1,803,547
Puerto Rico – 1.6%			
266,850	Popular Inc.	2,771,823	1,741,823
South Korea – 6.6%			
26,980	Hyundai Motor Co. Ltd. GDR	987,506	930,070
47,600	Kookmin Bank ADR	4,086,725	2,840,494
90,000	Korea Electric Power Corporation	1,980,505	1,333,721
6,850	Samsung Electronics Co. Ltd. GDR	2,365,722	2,059,212
		9,420,458	7,163,497
Switzerland – 7.1%			
367,800	Clariant AG	5,402,651	3,772,151
186,476	UBS AG	5,206,995	3,932,141
		10,609,646	7,704,292
United Kingdom – 21.6%			
963,165	Aegis Group PLC	2,168,477	2,105,351
227,100	Aviva PLC	3,579,402	2,295,057
164,850	British Sky Broadcasting Group PLC	2,078,000	1,578,788
385,600	Compass Group PLC	2,821,982	2,954,671
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
169,175	GlaxoSmithKline PLC	5,045,875	3,813,355
260,920	HSBC Holdings PLC	5,033,738	4,103,104
1,386,925	Rentokil Initial PLC	4,880,546	2,793,378
884,500	Royal Bank of Scotland Group PLC	8,136,358	3,847,549
		33,744,378	23,491,253
	TOTAL FOREIGN EQUITIES	141,367,866	102,393,764
	TOTAL INVESTMENT PORTFOLIO	143,827,479	104,208,378
	OTHER ASSETS, LESS LIABILITIES – 4.0%		4,337,923
	TOTAL NET ASSETS – 100.0%		108,546,301

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia International Value Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia International Value Fund (the "Fund") is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside the U.S. and Canada.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. Currencies to which the Fund had exposure, as at June 30, 2008 are as follows:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Euro Dollar	30,513,667	28.1
British Pound	23,491,253	21.6
Japanese Yen	20,603,569	19.0
U.S. Dollar	14,681,772	13.5
Swiss Franc	7,704,320	7.1
Hong Kong Dollar	2,954,945	2.7
Australian Dollar	2,547,822	2.3
Norwegian Krone	1,803,563	1.7
Total	104,300,911	96.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $10,430,091 (approximately 9.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $11,462,922 (approximately 10.6% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia European Fund
(formerly Scotia European Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$37,605,346	$43,055,159
Cash	–	242,078
Accrued investment income	75,724	35,111
Receivable for securities sold	741,064	343,512
Subscriptions receivable	11,897	6,696
Receivable from currency forward contracts	–	36,500
	38,434,031	43,719,056
LIABILITIES		
Bank indebtedness	9,066	–
Payable for securities purchased	605,035	71,438
Distribution payable	–	14
Redemptions payable	33,125	14,419
Accrued expenses	77,324	90,678
Payable for currency forward contracts	7,563	–
	732,113	176,549
Net assets	$37,701,918	$43,542,507
NET ASSETS PER CLASS		
Class A Units	$32,233,766	$37,975,117
Class E Units	$ 5,468,152	$ 5,567,390
UNITS OUTSTANDING		
Class A Units	2,827,035	2,988,386
Class E Units	473,772	438,233
NET ASSETS PER UNIT		
Class A Units	$ 11.40	$ 12.71
Class E Units	$ 11.54	$ 12.70

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$37,975,117	$38,477,917
Class E Units	5,567,390	–
	43,542,507	38,477,917
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(3,836,877)	900,225
Class E Units	(499,605)	–
	(4,336,482)	900,225
UNIT TRANSACTIONS		
Proceeds from Issue		
Class A Units	1,612,277	9,217,433
Class E Units	758,630	–
Payments on redemption		
Class A Units	(3,516,751)	(4,941,839)
Class E Units	(358,263)	–
	(1,504,107)	4,275,594
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(5,741,351)	5,175,819
Class E Units	(99,238)	–
	(5,840,589)	5,175,819
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	32,233,766	43,653,736
Class E Units	5,468,152	–
	$37,701,918	$43,653,736

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,104,286	$ 894,675
Interest	8,058	49,109
Securities lending	1,992	586
Foreign withholding taxes	(75,331)	(48,953)
	1,039,005	895,417
EXPENSES		
Management fees (note 4)	344,202	424,846
Audit fees	4,277	3,990
Independent Review Committee fees	281	167
Custodian fees	33,268	60,332
Filing fees	8,199	7,778
Legal fees	1,767	2,274
Unitholder reporting	12,075	8,692
Unitholder administration, service fees and GST	86,080	105,070
	490,149	613,149
Absorbed expenses	(19,189)	(26,480)
	470,960	586,669
Net investment income (loss)	568,045	308,748
Net realized gain (loss) on investments sold	(551,866)	3,118,793
Net realized gain (loss) on foreign exchange	(15,563)	(56,923)
Transaction costs	(23,338)	(32,833)
Change in unrealized appreciation (depreciation) of investments	(4,269,697)	(2,444,167)
Change in unrealized appreciation (depreciation) of currency forward	(44,063)	6,607
Net gain (loss) on investments and transaction costs	(4,904,527)	591,477
Increase (decrease) in net assets from operations	$(4,336,482)	$ 900,225
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(3,836,877)	$ 900,225
Class E Units	$ (499,605)	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (1.32)	$ 0.30
Class E Units	$ (1.07)	$ –

The accompanying notes are an integral part of the financial statements

Scotia European Fund
(formerly Scotia European Growth Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES – 99.7%			
Austria – 0.6%			
2,896	Voest Alpine AG	97,682	242,266
Belgium – 1.1%			
15,500	Fortis	528,296	250,926
1,200	Solvay SA	166,993	159,167
		695,289	410,093
Finland – 1.3%			
50,900	M-real Oyj Class B	282,082	107,800
5,000	Nokia Oyj	148,404	124,930
4,000	Outokumpu Oyj	182,375	141,729
13,700	Stora Enso Oyj Class R	225,613	129,818
		838,474	504,277
France – 13.5%			
4,800	Air France	151,750	116,675
3,000	Arkema	201,203	172,638
4,469	BNP Paribas SA	430,726	408,395
2,200	Compagnie Generale des Etablissements Michelin Class B	169,421	160,069
9,644	Credit Agricole SA	343,504	199,330
4,500	Essilor International SA	273,664	280,049
1,925	Eurofins Scientific	218,127	165,309
16,967	Eutelsat Communications	426,709	479,751
6,719	France Telecom SA	209,871	201,181
4,200	Lagardere S.C.A.	377,712	243,475
2,700	Renault SA	313,013	225,316
5,000	Sanofi-Aventis SA	448,857	339,279
10,598	SES Global SA FDR	280,178	272,349
3,300	Societe Generale	461,732	289,774
2,529	Technip-Coflexip SA	214,226	237,173
12,180	Total SA	949,394	1,059,119
700	Vallourec SA	199,641	249,425
		5,669,728	5,099,307
Germany – 14.1%			
2,700	Allianz AG	558,937	483,519
6,200	BASF AG	320,657	433,630
5,779	Bayer AG	481,875	493,995
2,100	Bilfinger Berger AG	184,260	185,395
3,800	Celesio AG	162,901	140,162
4,800	Deutsche Bank AG	651,169	418,588
9,300	Deutsche Lufthansa AG	193,855	203,746
13,500	Deutsche Telekom AG	267,508	225,571
4,211	E.ON AG	625,150	864,553
9,800	Epcos AG	201,461	161,873
5,380	Fresenius Medical Care AG	288,489	302,173
5,900	Heidelberger Druckmaschinen AG	153,592	123,098
20,400	Infineon Technologies AG	200,674	177,510
4,900	Lanxess AG	232,119	204,765
2,330	Muenchener Rueckver AG	352,617	416,012
1,560	RWE AG	167,078	200,028
9,300	Suedzucker AG	210,093	170,745
4,200	TUI AG	99,979	99,124
		5,352,414	5,304,487
Greece – 1.0%			
10,318	OPAP SA	405,212	366,205
Italy – 2.2%			
44,600	A2A SpA	163,946	167,138
4,738	EnerTAD SpA	25,080	18,914
11,300	Eni SpA	383,247	429,197
73,600	Telecom Italia SpA	205,699	150,328
34,600	Telecom Italia SpA-RNC	78,982	56,898
		856,954	822,475

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES (cont'd)			
Netherlands – 6.4%			
8,399	ArcelorMittal	645,855	845,677
34,700	Corporate Express	417,262	509,067
12,055	ING Groep NV	431,633	388,579
14,380	Koninklijke Ahold NV	203,278	196,483
7,000	Koninklijke BAM Groep NV	152,597	126,102
4,900	OPG Groep NV	189,258	106,547
2,398	Smartrac NV	131,107	81,770
8,600	SNS Reaal	206,879	169,054
		2,377,869	2,423,279
Norway – 4.1%			
14,550	Norsk Hydro ASA	180,822	216,014
25,697	Statoil ASA	803,493	978,425
3,733	Yara International ASA	307,432	335,818
		1,291,747	1,530,257
Russia – 1.6%			
10,191	OAO Gazprom ADR	581,492	602,839
Spain – 5.4%			
32,705	Banco Santander Central Hispano SA	666,423	608,673
63,464	Iberdrola Renovables	451,789	499,714
6,600	Repsol YPF SA	219,954	264,873
2,207	Tecnicas Reunidas SA	98,814	187,762
17,816	Telefonica SA	473,136	480,274
		1,910,116	2,041,296
Sweden – 3.1%			
16,044	Atlas Copco AB Series A	300,424	240,551
20,520	Ericsson LM Class B	328,320	215,975
11,900	Nordea Bank AB	138,959	166,170
12,000	Svenska Cellulosa AB Class B	194,048	172,334
11,500	Tele2 AB Class B	221,442	228,052
13,100	Volvo AB Series B	213,725	162,994
		1,396,918	1,186,076
Switzerland – 9.3%			
22,488	ABB Ltd.	602,180	647,337
1,300	Alcon Inc.	215,298	215,692
8,788	Credit Suisse Group	496,879	406,700
5,990	Julius Baer Holding AG	463,380	408,912
14,380	Nestle SA	588,959	661,121
2,158	Partners Group AG	236,008	303,264
3,054	Roche Holdings AG	591,647	558,944
886	Syngenta AG	284,438	292,449
		3,478,789	3,494,419
United Kingdom – 36.0%			
5,646	Anglo American PLC	365,927	407,859
16,000	Antofagasta PLC	186,613	212,182
10,900	Associated British Foods PLC	181,152	167,722
15,200	Aviva PLC	215,653	153,610
84,719	BAE Systems PLC	727,257	760,508
41,213	Barclays PLC	428,387	243,345
41,213	Barclays PLC Rights Jul. 17, 2008	–	1,968
15,801	BG Group PLC	243,591	419,799
12,837	Billiton PLC	505,092	502,872
48,869	BP PLC	596,062	578,216
9,997	British American Tobacco PLC	318,364	351,591
23,800	British Energy PLC	244,005	343,155
25,709	Capita Group PLC	316,006	358,530
22,000	GlaxoSmithKline PLC	619,563	495,900
61,440	HBOS PLC	892,784	342,963
24,576	HBOS PLC Rights Jul. 18, 2008	–	5,367
20,400	Home Retail Group PLC	195,655	89,840
24,509	Icap PLC	336,911	267,342

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia European Fund
(formerly Scotia European Growth Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
33,141	International Power PLC	279,242	289,210
174,230	ITV PLC	360,610	157,307
47,321	Man Group PLC	498,296	594,918
19,255	Petrofac Ltd.	180,351	288,448
23,726	Prudential PLC	331,044	256,302
12,260	Punch Taverns PLC	204,272	77,804
7,017	Rio Tinto PLC	601,116	877,464
48,813	Royal & Sun Alliance Insurance Group PLC	103,308	123,816
118,650	Royal Bank of Scotland Group PLC	1,111,266	516,124
19,626	Royal Dutch Shell PLC Class B	804,455	804,483
11,092	Smiths Group PLC	237,194	244,273
20,225	Standard Chartered PLC	630,408	583,325
16,000	Taylor Wimpey PLC	126,904	20,021
66,474	Tesco PLC	547,587	497,856
32,100	Tui Travel PLC	175,655	133,067
1,030	Vedanta Resources PLC	45,812	45,811
440,346	Vodafone Group PLC	1,398,791	1,323,298
22,434	Wood Group (John) PLC	176,999	224,986
8,654	Xstrata PLC	491,563	701,458
81,220	Yell Group PLC	239,868	115,330
		14,917,763	13,578,070
	TOTAL INVESTMENT PORTFOLIO	39,870,447	37,605,346
	OTHER ASSETS, LESS LIABILITIES – 0.3%		96,572
	TOTAL NET ASSETS – 100.0%		37,701,918

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Sep. 16, 2008	Canadian Dollar	816,157	British Pound	407,000	823,720	(7,563)
					823,720	(7,563)

The currency forward contracts outstanding at June 30,2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia European Fund
(formerly Scotia European Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia European Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. Currencies to which the Fund had exposure, as at June 30, 2008, are as follows:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Euro Dollar	17,256,969	45.8
British Pound	12,820,917	34.0
Swiss Franc	3,288,652	8.7
Norwegian Krone	1,550,349	4.1
Swedish Krona	1,203,707	3.2
U.S. Dollar	825,414	2.2
Total	36,946,008	98.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $3,694,601 (approximately 9.8% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $3,760,535 (approximately 10.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Pacific Rim Fund
(formerly Scotia Pacific Rim Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$29,389,618	$33,261,710
Cash	305,052	1,335,825
Accrued investment income	48,631	17,243
Receivable for securities sold	–	429,121
Subscriptions receivable	20,880	57,067
	29,764,181	35,100,966
LIABILITIES		
Payable for securities purchased	–	881,029
Redemptions payable	35,880	11,443
Accrued expenses	70,130	80,939
	106,010	973,411
Net assets	$29,658,171	$34,127,555
NET ASSETS PER CLASS		
Class A Units	$28,590,295	$33,228,141
Class I Units	$ 1,067,876	$ 899,414
UNITS OUTSTANDING		
Class A Units	2,339,378	2,311,237
Class I Units	81,503	58,987
NET ASSETS PER UNIT		
Class A Units	$ 12.22	$ 14.38
Class I Units	$ 13.10	$ 15.25

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 359,092	$ 465,875
Interest	16,103	16,053
Foreign withholding taxes	(36,790)	(42,320)
	338,405	439,608
EXPENSES		
Management fees (note 4)	306,601	320,386
Audit fees	4,277	3,990
Independent Review Committee fees	225	125
Custodian fees	18,300	31,109
Filing fees	8,676	8,339
Legal fees	1,622	2,047
Unitholder reporting	10,509	7,033
Unitholder administration, service fees and GST	73,541	117,319
	423,751	490,348
Absorbed expenses	(6,116)	(11,316)
	417,635	479,032
Net investment income (loss)	(79,230)	(39,424)
Net realized gain (loss) on investments sold	476,887	1,502,108
Net realized gain (loss) on foreign exchange	(121,670)	(120,873)
Transaction costs	(51,293)	(44,851)
Change in unrealized appreciation (depreciation) of investments	(5,402,152)	(381,120)
Net gain (loss) on investments and transaction costs	(5,098,228)	955,264
Increase (decrease) in net assets from operations	$(5,177,458)	$ 915,840
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(5,034,146)	$ 888,831
Class I Units	$ (143,312)	$ 27,009
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (2.14)	$ 0.38
Class I Units	$ (1.89)	$ 0.63

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$33,228,141	$30,870,588
Class I Units	899,414	427,557
	34,127,555	31,298,145
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(5,034,146)	888,831
Class I Units	(143,312)	27,009
	(5,177,458)	915,840
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	3,736,209	4,682,111
Class I Units	379,547	548,962
Payments on redemption		
Class A Units	(3,339,909)	(4,144,563)
Class I Units	(67,773)	(73,540)
	708,074	1,012,970
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(4,637,846)	1,426,379
Class I Units	168,462	502,431
	(4,469,384)	1,928,810
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	28,590,295	32,296,967
Class I Units	1,067,876	929,988
	$29,658,171	$33,226,955

The accompanying notes are an integral part of the financial statements

Scotia Pacific Rim Fund
(formerly Scotia Pacific Rim Growth Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES – 99.1%			
Australia – 16.8%			
29,900	AMP Ltd.	197,664	195,234
7,400	Australian Stock Exchange Ltd.	283,778	226,704
39,900	BHP Billiton Ltd.	789,973	1,733,043
21,100	Commonwealth Bank of Australia	827,669	826,839
3,100	Macquarie Group Ltd.	156,051	146,870
48,500	Qantas Airways Ltd.	158,634	144,069
22,000	QBE Insurance Group Ltd.	355,037	476,447
1,500	Rio Tinto Ltd.	172,924	199,410
37,800	Toll Holdings Ltd.	547,222	223,078
3,180	Woodside Petroleum Ltd.	103,231	210,535
25,450	Woolworths Ltd.	414,998	607,498
		4,007,181	4,989,727
China – 2.2%			
120,000	China Communications Constructions Group Ltd	201,240	208,908
74,000	China National Building Material Co. Ltd.	186,091	144,757
430,000	Industrial and Commercial Bank of China Class H	314,695	299,051
		702,026	652,716
Hong Kong – 13.2%			
32,000	ASM Pacific Technology Ltd.	163,427	245,990
22,000	Cheung Kong (Holdings) Ltd.	386,759	301,740
178,000	China Communication Services Corporation Ltd. Class H	163,968	131,650
440,000	China Dongxiang Group Co.	252,466	180,171
109,000	China Life Insurance Co. Ltd. Class H	217,969	387,519
38,500	China Mobile (Hong Kong) Ltd.	665,352	525,489
88,000	China Overseas Land & Investment Ltd.	160,930	142,048
19,600	Hong Kong Aircraft Engineering	332,958	307,587
16,500	Hong Kong Exchanges & Clearing Ltd.	166,032	244,451
20,000	Parkson Retail Group Ltd.	223,583	149,035
220,000	PetroChina Co. Ltd. Class H	302,703	289,266
118,000	Sino Land Co. Ltd.	350,840	238,678
100,000	Wharf (Holdings) Ltd.	554,052	426,173
26,000	Wing Hang Bank Ltd.	382,772	351,040
		4,323,811	3,920,837
India – 3.2%			
72,700	ITC Ltd. GDR	298,644	321,796
2,800	Larsen & Toubro Ltd. GDR	60,967	146,784
28,000	Reliance Communication GDR	316,301	301,849
1,850	Reliance Industries Ltd. GDR	243,742	185,662
		919,654	956,091
Indonesia – 0.7%			
160,000	United Tractors TBK PT	241,077	215,936
Japan – 39.9%			
7,200	Aisin Seiki Co. Ltd.	276,547	239,800
4,900	Canon Inc.	256,981	256,257
2,400	Daikin Industries Ltd.	132,163	123,336
4,000	Disco Corporation	185,572	172,983
63	East Japan Railway Co. Ltd.	465,042	523,161
3,400	Fanuc Ltd.	341,073	337,991
8,100	Fuji Photo Film Co. Ltd.	313,898	282,965
32,000	Hino Motors Ltd.	208,315	201,934
67,000	Kawasaki Heavy Industries Ltd.	193,643	181,742
49	KDDI Corporation	371,799	309,499
18,800	Komatsu Ltd.	387,924	533,343
11,300	Mitsubishi Corporation	328,991	379,339
15,000	Mitsubishi Estate Co. Ltd.	468,073	349,400
38,800	Mitsubishi UFJ Financial Group Inc.	527,000	348,464
18,000	Mitsui & Co. Ltd.	330,224	405,442
63	Mizuho Financial Group Inc.	301,615	297,642
6,000	Nikon Corporation	119,581	177,915
800	Nintendo Co. Ltd.	304,695	459,353
74,000	Nippon Steel Corporation	409,423	407,855
32,000	Nippon Yusen Kabushiki Kaisha	303,048	313,278
4,700	Nitto Denko Corporation	214,086	183,705
1,700	Orix Corporation	361,216	250,632
60	Seven & I Holdings Co. Ltd.	2,424	1,750
11,000	Sharp Corporation	217,578	183,117
27,000	Shimadzu Corporation	294,630	273,830
5,900	Shin-Etsu Chemical Co. Ltd.	385,498	371,450
13,000	Shionogi & Co. Ltd.	264,102	262,074
13,000	Shiseido Co. Ltd	290,900	303,993
14,000	Softbank Corporation	344,145	240,356
6,700	Sony Corporation	339,082	293,692
38,000	Sumitomo Chemical Co. Ltd.	268,013	243,754
48	Sumitomo Mitsui Financial Group Inc.	482,281	367,392
8,700	Suzuki Motor Corporation	256,132	209,429
5,300	Takeda Pharmaceutical Co. Ltd.	364,544	274,217
8,700	Terumo Corporation	342,560	452,272
67,000	Tokyo Gas Co. Ltd.	387,836	275,018
37,000	Toshiba Corporation	276,275	277,539
11,500	Toyota Motor Corporation	635,372	551,882
6,800	Ulvac Inc.	284,981	242,664
3,470	Yamada Denki Co. Ltd.	248,800	251,678
		12,486,062	11,812,143
Malaysia – 1.4%			
110,975	IOI Corporation Berhad	142,667	258,505
80,000	KNM Group Berhad	168,587	159,454
		311,254	417,959
Philippines – 0.4%			
2,200	Philippine Long Distance Telephone Company	155,065	119,672
Singapore – 3.9%			
31,000	Capitaland Ltd.	173,417	132,786
46,000	Fraser & Neave Ltd.	185,536	156,751
61,000	Oversea Chinese Banking Corporation	378,086	374,163
29,000	Singapore Exchange Ltd.	204,532	150,702
70,000	Singapore Petroleum Co. Ltd.	297,757	344,918
		1,239,328	1,159,320
South Korea – 7.4%			
1,770	Hyundai Engineering & Construction Ltd.	167,023	119,704
5,350	K T & G Corporation	336,701	469,590
21,600	Korea Exchange Bank	330,103	301,825
1,430	NHN Corporation	206,861	254,816
1,900	POSCO ADR	152,602	251,489
450	Samsung Electronics Co. Ltd.	304,341	274,575
2,470	Samsung Fire & Marine Insurance Co. Ltd.	433,262	525,225
		1,930,893	2,197,224
Taiwan – 8.1%			
246,640	ASIA Cement Corportaion	387,074	376,595
429,000	Chinatrust Financial Holding	397,902	421,921
78,000	Chunghwa Telecom Co. Ltd.	172,590	205,533
31,766	Hon Hai Precision Industry Co. Ltd. GDR	274,300	323,009
28,000	Mediatek Inc.	412,645	328,840
25,000	Siliconware Precision Industries Co. ADR	276,539	186,386
77,000	Taiwan Fertilizer Co. Ltd.	350,970	294,634
23,000	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	263,559	255,923
		2,535,579	2,392,841
Thailand – 1.9%			
55,000	Electricity Generating Public Company Ltd.	205,675	141,933
63,000	Kasikornbank Public Company Ltd.	190,352	137,957
49,000	PTT Exploration and Production Public Co. Ltd.	204,307	275,262
		600,334	555,152
	TOTAL INVESTMENT PORTFOLIO	29,452,264	29,389,618
	OTHER ASSETS, LESS LIABILITIES – 0.9%		268,553
	TOTAL NET ASSETS – 100.0%		29,658,171

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Pacific Rim Fund
(formerly Scotia Pacific Rim Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Pacific Rim Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Japanese Yen	11,812,144	39.8
Australian Dollar	4,989,724	16.8
Hong Kong Dollar	4,573,554	15.4
U.S. Dollar	1,975,209	6.7
South Korean Won	1,945,735	6.6
Taiwan Dollar	1,651,406	5.6
Singapore Dollar	1,159,321	3.9
Thai Baht	555,152	1.9
Kuala Lumpur Ringgit	417,959	1.4
Jakarta Rupiah	215,936	0.7
Philippines Peso	119,672	0.4
Total	29,415,812	99.2

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $2,941,581 (approximately 9.9% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $3,232,858 (approximately 10.9% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Latin American Fund
(formerly Scotia Latin American Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$104,474,102	$92,604,936
Cash	1,473,922	1,622,557
Accrued investment income	–	114,506
Receivable for securities sold	9,665	–
Subscriptions receivable	155,429	123,274
	106,113,118	94,465,273
LIABILITIES		
Distributions payable	–	1,353
Redemptions payable	150,078	60,326
Accrued expenses	217,849	196,698
	367,927	258,377
Net assets	$105,745,191	$94,206,896
NET ASSETS PER CLASS		
Class A Units	$101,933,437	$90,631,777
Class F Units	$ 132,386	$ 142,835
Class I Units	$ 3,679,368	$ 3,432,284
UNITS OUTSTANDING		
Class A Units	2,708,561	2,563,896
Class F Units	3,498	4,033
Class I Units	96,688	97,062
NET ASSETS PER UNIT		
Class A Units	$ 37.63	$ 35.35
Class F Units	$ 37.85	$ 35.42
Class I Units	$ 38.05	$ 35.36

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 495,942	$ 724,857
Interest	498,110	470,367
Securities lending	1,277	114
Foreign withholding taxes	(85,409)	(38,059)
	909,920	1,157,279
EXPENSES		
Management fees (note 4)	938,750	744,984
Audit fees	8,720	6,587
Independent Review Committee fees	365	177
Custodian fees	77,544	47,157
Filing fees	9,513	8,728
Legal fees	1,986	2,325
Unitholder reporting	14,438	9,086
Unitholder administration, service fees and GST	129,375	126,811
	1,180,691	945,855
Absorbed expenses	(5,737)	(5,633)
	1,174,954	940,222
Net investment income (loss)	(265,034)	217,057
Net realized gain (loss) on investments sold	1,073,862	7,914,689
Net realized gain (loss) on foreign exchange	(52,535)	(43,087)
Transaction costs	(124,153)	(168,759)
Change in unrealized appreciation (depreciation) of investments	5,378,827	982,731
Net gain (loss) on investments and transaction costs	6,276,001	8,685,574
Increase (decrease) in net assets from operations	$6,010,967	$8,902,631
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$5,737,667	$8,470,392
Class F Units	$ 8,273	$ 24,669
Class I Units	$ 265,027	$ 407,570
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 2.20	$ 3.95
Class F Units	$ 2.33	$ 4.04
Class I Units	$ 2.71	$ 4.10

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 90,631,777	$67,328,324
Class F Units	142,835	207,187
Class I Units	3,432,284	2,438,661
	94,206,896	69,974,172
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	5,737,667	8,470,392
Class F Units	8,273	24,669
Class I Units	265,027	407,570
	6,010,967	8,902,631
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	15,581,709	16,366,887
Class F Units	9,531	–
Class I Units	254,193	2,050,913
Reinvested distributions		
Class A Units	(307)	197
Payments on redemption		
Class A Units	(10,017,409)	(9,909,475)
Class F Units	(28,253)	(13,670)
Class I Units	(272,136)	(1,233,671)
	5,527,328	7,261,181
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	11,301,660	14,928,001
Class F Units	(10,449)	10,999
Class I Units	247,084	1,224,812
	11,538,295	16,163,812
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	101,933,437	82,256,325
Class F Units	132,386	218,186
Class I Units	3,679,368	3,663,473
	$105,745,191	$86,137,984

The accompanying notes are an integral part of the financial statements

Scotia Latin American Fund
(formerly Scotia Latin American Growth Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES – 98.8%			
Bermuda – 1.9%			
24,100	Credicorp Ltd.	950,005	2,018,472
Brazil – 68.0%			
85,500	All America Latina Logistica SA	693,505	1,112,121
266,600	Banco Do Brasil SA	4,628,709	4,426,283
66,200	Banco Nossa Caixa SA	1,628,456	1,753,757
294,000	Banco Panamericano SA	1,574,548	1,665,108
174,600	Bradespar SA Pref.	3,585,167	4,799,908
266,200	Brascan Residential Properties SA	1,871,602	1,473,779
56,800	Companhia Paranaense De Energia-Copel PFB	701,526	1,170,027
148,004	Companhia Vale do Rio Doce SA ADR	1,809,410	5,406,994
218,962	Companhia Vale do Rio Doce SA ADR Pref. Series A	1,734,403	6,663,838
195,400	Gerdau SA Pref.	2,766,968	4,764,913
129,300	Industrias Romi SA	1,456,816	1,374,105
236,400	Klabin Segall SA	1,476,904	1,487,814
510,800	Laep Investments Ltd.	1,623,112	864,644
82,800	Localiza Rent A Car SA	465,090	948,436
50,000	MMX Mineracao e Metalicos SA	524,339	1,568,317
2,800	MPX Mineracao e Energia SA	1,560,787	1,648,180
50,700	OdontoPrev SA	1,387,575	1,322,808
2,000	OGX Petroleo e Gas Participacoes SA	1,531,670	1,616,362
246,200	PDG Realty SA	3,400,468	3,586,235
102,800	Petroleo Brasileiro SA ADR	1,929,400	7,426,209
150,692	Petroleo Brasileiro SA ADR Non-Voting	2,244,046	8,906,366
47,682	Profarma Distribuidora	726,218	758,577
119,500	Saraiva SA Livreiros Editores Pref.	1,739,811	2,452,464
167,800	SEB – Sistema Educacional Brasileiro SA	2,560,331	2,770,986
145,700	Tegma Gestao Logistica SA	1,589,880	1,842,309
		45,210,741	71,810,540
Chile – 3.2%			
26,300	Banco Santander Chile SA ADR	1,229,888	1,153,671
239,155	Cencosud SA	1,004,701	736,774
92,200	Masisa SA ADR	1,213,976	815,656
569,692	Sonda SA	850,841	728,605
		4,299,406	3,434,706
Mexico – 21.8%			
1,185,216	Alsea SA	1,440,129	1,522,533
160,668	America Movil SA de CV Series L ADR	7,796,433	8,643,879
35,821	Cemex SA de CV ADR	1,365,416	902,384
1,280,700	Controladora Comercial Mexicana SA de CV	3,693,585	3,919,837
33,192	Desarrolladora Homex ADR	1,899,833	1,983,077
465,100	Empresas ICA SA de CV	2,139,936	2,970,327
772,100	Genomma Lab Internacional SA Series B	1,251,321	1,214,033
127,988	Grupo Famsa SA	581,290	506,278
295,400	Grupo Financiero Banorte S.A.B. de CV	1,399,549	1,416,812
		21,567,492	23,079,160
Peru – 2.0%			
31,576	Compania de Minas Buenaventura SA ADR	2,038,418	2,105,195
United Kingdom – 1.9%			
152,777	Antofagasta PLC	2,428,413	2,026,029
	TOTAL INVESTMENT PORTFOLIO	76,494,475	104,474,102
	OTHER ASSETS, LESS LIABILITIES – 1.2%		1,271,089
	TOTAL NET ASSETS – 100.0%		105,745,191

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Latin American Fund
(formerly Scotia Latin American Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Latin American Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	46,160,544	43.7
Brazilian Real	43,407,132	41.0
Mexican Peso	11,549,820	10.9
British Pound	2,026,029	1.9
Chile Peso	1,465,379	1.4
Total	104,608,904	98.9

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $10,460,890 (approximately 9.9% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $10,342,936 (approximately 9.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Global Growth Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$309,351,860	$282,361,886
Cash	4,830,936	7,029,479
Accrued investment income	304,542	296,992
Subscriptions receivable	272,419	212,861
	314,759,757	289,901,218
LIABILITIES		
Payable for securities purchased	–	512,477
Redemptions payable	41,065	236,043
Accrued expenses	218,470	251,732
	259,535	1,000,252
Net assets	$314,500,222	$288,900,966
NET ASSETS PER CLASS		
Class A Units	$ 96,204,990	$104,687,459
Advisor Class Units	$ 2,098	$ –
Class I Units	$218,293,134	$184,213,507
UNITS OUTSTANDING		
Class A Units	3,085,398	3,175,449
Advisor Class Units	67	–
Class I Units	6,797,349	5,492,228
NET ASSETS PER UNIT		
Class A Units	$ 31.18	$ 32.97
Advisor Class Units	$ 31.18	$ –
Class I Units	$ 32.11	$ 33.54

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 5,814,507	$ 3,751,338
Interest	329,589	91,636
Securities lending	13,332	844
Foreign withholding taxes	(409,587)	(220,689)
	5,747,841	3,623,129
EXPENSES		
Management fees (note 4)	988,468	1,174,377
Audit fees	7,527	7,626
Independent Review Committee fees	1,115	674
Custodian fees	42,715	62,554
Filing fees	10,210	10,626
Legal fees	3,937	5,005
Unitholder reporting	35,481	28,651
Unitholder administration, service fees and GST	337,828	606,362
	1,427,281	1,895,875
Absorbed expenses	(129,924)	(93,716)
	1,297,357	1,802,159
Net investment income (loss)	4,450,484	1,820,970
Net realized gain (loss) on investments sold	(8,690,595)	16,171,578
Net realized gain (loss) on foreign exchange	143,773	(625,834)
Transaction costs	(122,138)	(118,679)
Change in unrealized appreciation (depreciation) of investments	(8,927,757)	(22,848,766)
Change in unrealized appreciation (depreciation) of currency forward	–	19,941
Net gain (loss) on investments and transaction costs	(17,596,717)	(7,401,760)
Increase (decrease) in net assets from operations	$(13,146,233)	$ (5,580,790)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (5,614,426)	$ (1,478,210)
Advisor Class Units+	$ (2)	$ –
Class I Units	$ (7,531,805)	$ (4,102,580)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (1.79)	$ (0.45)
Advisor Class Units+	$ (0.03)	$ –
Class I Units	$ (1.19)	$ (0.88)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$104,687,459	$116,083,558
Class I Units	184,213,507	–
	288,900,966	116,083,558
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(5,614,426)	(1,478,210)
Advisor Class Units+	(2)	–
Class I Units	(7,531,805)	(4,102,580)
	(13,146,233)	(5,580,790)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	4,689,012	21,969,691
Advisor Class Units+	2,100	–
Class I Units	42,820,199	173,386,252
Payments on redemption		
Class A Units	(7,557,055)	(19,550,011)
Class I Units	(1,208,767)	(475,386)
	38,745,489	175,330,546
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(8,482,469)	941,470
Advisor Class Units+	2,098	–
Class I Units	34,079,627	168,808,286
	25,599,256	169,749,756
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	96,204,990	117,025,028
Advisor Class Units+	2,098	–
Class I Units	218,293,134	168,808,286
	$314,500,222	$285,833,314

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 98.4%			
CANADIAN EQUITIES – 1.9%			
Energy – 0.6%			
82,523	Opti Canada Inc.	1,657,937	1,906,281
Materials – 0.5%			
153,800	Ivanhoe Mines Ltd.	1,623,484	1,696,414
Industrials – 0.8%			
89,216	Ritchie Bros. Auctioneers Inc.	2,119,704	2,468,592
	TOTAL CANADIAN EQUITIES	5,401,125	6,071,287
FOREIGN EQUITIES – 96.5%			
United States – 30.9%			
75,328	Altria Group Inc.	1,713,516	1,576,488
50,317	Automatic Data Processing Inc.	2,590,407	2,150,233
50,179	ConocoPhillips	4,040,319	4,819,894
35,059	Deere & Company	2,672,617	2,579,124
102,018	eBay Inc.	3,620,487	2,843,631
58,363	EOG Resources Inc.	5,068,410	7,809,591
33,636	Fastenal Corporation	1,487,749	1,475,128
61,255	Genentech Inc.	4,502,002	4,738,643
119,785	IMS Health Inc.	3,916,441	2,846,526
3,832	Markel Corporation	2,093,412	1,433,390
48,028	Microchip Technology Inc.	1,937,785	1,495,961
200,125	Microsoft Corporation	6,773,332	5,614,987
85,595	Moody's Corporation	6,296,156	2,998,693
96,812	Omnicom Group Inc.	5,646,970	4,417,555
78,011	Patterson Dental Company	3,180,606	2,315,291
87,242	PepsiCo Inc.	6,443,479	5,657,219
75,328	Philip Morris International Inc.	4,052,179	3,789,102
26,103	Praxair Inc.	1,979,854	2,505,967
83,618	Progressive Corporation	1,893,147	1,593,918
118,638	Schlumberger Ltd.	9,434,166	12,987,997
23,642	United States Steel Corporation	2,871,970	4,455,254
49,900	Wal-Mart Stores Inc.	2,793,564	2,854,584
240,602	Walgreen Company	11,181,444	7,965,345
128,331	WellPoint Inc.	10,843,539	6,224,870
		107,033,551	97,149,391
Australia – 1.2%			
427,493	Brambles Ltd.	4,552,471	3,661,255
Belgium – 1.1%			
28,086	Groupe Bruxelles Lambert SA	3,784,703	3,392,698
Bermuda – 0.8%			
82,769	Seadrill Ltd.	1,838,883	2,579,465
Brazil – 6.1%			
242,875	Banco Itau Holding Financeira SA ADR	4,482,507	5,030,945
111,300	Companhia Vale do Rio Doce SA ADR Pref. Series A	2,360,443	3,387,278
183,000	Petroleo Brasileiro SA ADR Non-Voting	5,399,659	10,815,868
		12,242,609	19,234,091
China – 1.0%			
654,000	China National Building Material Co. Ltd.	2,111,067	1,279,340
42,200	Sina Corporation	1,597,273	1,818,428
		3,708,340	3,097,768
Denmark – 1.3%			
322	A P Moeller – Maersk A/S	3,589,794	3,999,950
Egypt – 1.2%			
172,400	Egyptian Financial Group-Hermes Holding	1,724,145	1,580,160
16,650	Orascom Construction GDR	2,291,449	2,326,439
		4,015,594	3,906,599
France – 1.6%			
30,916	Electricite de France	2,912,374	2,989,820
31,152	Essilor International SA	2,049,227	1,938,685
		4,961,601	4,928,505
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Germany – 3.4%			
169,889	Celesio AG	11,235,747	6,266,289
14,000	Q-Cells AG	1,758,236	1,442,498
54,593	SAP AG	3,043,182	2,900,347
		16,037,165	10,609,134
Hong Kong – 4.8%			
242,000	Cheung Kong (Holdings) Ltd.	3,692,584	3,319,142
229,000	China Mobile (Hong Kong) Ltd.	3,701,956	3,125,635
82,000	Hong Kong Exchanges & Clearing Ltd.	1,278,607	1,214,848
1,128,500	Kingboard Chemicals Holdings	5,634,681	5,304,832
1,086,000	Kowloon Development Co. Ltd.	2,526,395	2,026,887
		16,834,223	14,991,344
India – 0.5%			
17,700	Reliance Industries Ltd. GDR	1,734,355	1,776,336
Israel – 0.6%			
38,500	Teva Pharmaceutical Industries Ltd. ADR	1,640,264	1,798,387
Italy – 0.5%			
281,836	UniCredito Italiano SpA	2,705,750	1,751,371
Japan – 4.8%			
173,900	Asahi Breweries Ltd.	2,832,739	3,315,073
75,150	Canon Inc.	4,440,308	3,930,145
537	Japan Tobacco Inc.	2,902,752	2,331,676
65,000	KAO Corporation	2,103,502	1,737,093
103,800	Mitsui Sumitomo Insurance Group	4,716,308	3,644,128
		16,995,609	14,958,115
Luxembourg – 0.8%			
21,050	Evraz Group SA	1,719,532	2,501,122
Mexico – 1.1%			
66,522	America Movil SA de CV Series L ADR	3,347,571	3,578,859
Russia – 4.1%			
125,050	OAO Gazprom ADR	5,941,081	7,397,220
128,400	Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel ADR	3,354,738	3,313,160
28,400	Uralkali GDR	1,662,833	2,105,763
		10,958,652	12,816,143
Singapore – 2.6%			
345,000	DBS Group Holdings Ltd.	5,053,639	4,887,985
399,000	Keppel Corporation Ltd.	3,001,779	3,355,121
		8,055,418	8,243,106
South Africa – 1.6%			
169,845	Naspers Ltd. N Shares	3,531,851	3,776,948
126,249	Standard Bank Group Ltd.	1,789,355	1,248,842
		5,321,206	5,025,790
South Korea – 0.8%			
62,680	Hana Financial Group Inc.	3,069,908	2,455,830
Sweden – 6.5%			
399,314	Atlas Copco AB Class B	7,106,227	5,412,436
179,729	Ericsson LM Class B	3,194,185	1,891,664
70,246	Getinge AB Class B	1,801,560	1,748,867
352,035	Investor AB Class B	9,453,563	7,535,844
155,807	Svenska Handelsbanken AB Series A	4,938,921	3,757,227
		26,494,456	20,346,038
Switzerland – 8.1%			
105,430	Compagnie Financiere Richemont AG	6,113,037	5,938,532
20,900	Julius Baer Holding AG	1,621,733	1,426,754
163,160	Nestle SA	7,063,475	7,501,289
110,841	Schindler Holdings AG	7,754,278	8,385,672

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Switzerland (cont'd)			
110,762	UBS AG	5,344,951	2,335,592
		27,897,474	25,587,839
Taiwan – 0.7%			
209,603	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	2,487,737	2,332,271
United Kingdom – 10.4%			
130,700	Aggreko PLC	1,546,608	1,946,481
149,491	Billiton PLC	4,147,596	5,856,109
136,281	British American Tobacco PLC	4,857,580	4,792,960
210,873	Bunzl PLC	2,901,878	2,800,068
206,431	HSBC Holdings PLC	3,595,154	3,246,236
27,466	Lonmin PLC	2,028,820	1,766,029
179,800	Man Group PLC	2,361,549	2,260,438
558,300	Rolls-Royce Group PLC	5,875,390	3,866,244
34,227,200	*Rolls-Royce Group B Share Entitlement	–	–
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
975,027	Vodafone Group PLC	3,654,776	2,930,090
408,090	Wolseley PLC	9,173,890	3,094,511
		40,143,241	32,559,166
	TOTAL FOREIGN EQUITIES	331,170,107	303,280,573
	TOTAL INVESTMENT PORTFOLIO	336,571,232	309,351,860
	OTHER ASSETS, LESS LIABILITIES – 1.6%		5,148,362
	TOTAL NET ASSETS – 100.0%		314,500,222

* This security is not actively traded.

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Growth Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Global Growth Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	147,840,471	47.0
British Pound	32,559,166	10.4
Swiss Franc	25,587,852	8.1
Euro Dollar	20,681,708	6.6
Swedish Krona	20,346,038	6.5
Hong Kong Dollar	16,270,683	5.2
Japanese Yen	15,005,294	4.8
Singapore Dollar	8,243,106	2.6
South African Financial Rand	5,025,816	1.6
Danish Krone	3,999,949	1.3
Australian Dollar	3,661,315	1.2
Norwegian Krone	2,630,811	0.8
South Korean Won	2,455,830	0.8
Egyptian Pound	1,580,160	0.5
Total	305,888,199	97.4

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $30,588,820 (approximately 9.7% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $28,151,019 (approximately 9.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Global Small Cap Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$100,693,851	$93,325,736
Cash	6,798,818	2,477,589
Accrued investment income	203,746	63,251
Receivable for securities sold	683,097	–
Subscriptions receivable	120,809	93,035
	108,500,321	95,959,611
LIABILITIES		
Payable for securities purchased	779,120	–
Distributions payable	–	87
Redemptions payable	23,466	88,063
Accrued expenses	20,112	22,678
	822,698	110,828
Net assets	$107,677,623	$95,848,783
NET ASSETS PER CLASS		
Class A Units	$ 3,137,087	$ 3,463,208
Class I Units	$104,540,536	$92,385,575
UNITS OUTSTANDING		
Class A Units	355,458	375,367
Class I Units	11,577,986	9,917,144
NET ASSETS PER UNIT		
Class A Units	$ 8.83	$ 9.23
Class I Units	$ 9.03	$ 9.32

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,229,445	$ 487,392
Interest	82,051	51,886
Capital gains distributions received	689	1,175,542
Foreign withholding taxes	(143,323)	(74,887)
	1,168,862	1,639,933
EXPENSES		
Management fees (note 4)	37,805	83,209
Audit fees	8,193	4,744
Independent Review Committee fees	28	12
Custodian fees	37,819	17,563
Filing fees	8,243	12,154
Legal fees	1,110	7,924
Unitholder reporting	4,995	2,616
Unitholder administration, service fees and GST	31,176	21,722
	129,369	149,944
Absorbed expenses	(19,321)	(43,385)
	110,048	106,559
Net investment income (loss)	1,058,814	1,533,374
Net realized gain (loss) on investments sold	(8,446,292)	319,987
Net realized gain (loss) on foreign exchange	8,333	169,651
Transaction costs	(145,024)	(131,984)
Change in unrealized appreciation (depreciation) of investments	4,850,862	(2,744,412)
Net gain (loss) on investments and transaction costs	(3,732,121)	(2,386,758)
Increase (decrease) in net assets from operations	$(2,673,307)	$ (853,384)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (150,642)	$ 178,061
Class F Units	$ –	$ 600
Class I Units	$(2,522,665)	$(1,032,045)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.41)	$ 0.27
Class F Units	$ –	$ 0.32
Class I Units	$ (0.23)	$ (0.13)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 3,463,208	$ 8,179,136
Class F Units	–	22,876
Class I Units	92,385,575	–
	95,848,783	8,202,012
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(150,642)	178,061
Class F Units	–	600
Class I Units	(2,522,665)	(1,032,045)
	(2,673,307)	(853,384)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	204,356	6,202,216
Class I Units	18,970,902	90,117,569
Payments on redemption		
Class A Units	(379,835)	(10,327,113)
Class F Units	–	(10,144)
Class I Units	(4,293,276)	(637,404)
	14,502,147	85,345,124
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(326,121)	(3,946,836)
Class F Units	–	(9,544)
Class I Units	12,154,961	88,448,120
	11,828,840	84,491,740
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	3,137,087	4,232,300
Class F Units	–	13,332
Class I Units	104,540,536	88,448,120
	$107,677,623	$ 92,693,752

The accompanying notes are an integral part of the financial statements

Scotia Global Small Cap Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 93.5%			
CANADIAN EQUITIES – 5.1%			
Materials – 1.5%			
102,900	Sherritt International Corporation	1,536,513	1,578,486
Consumer Discretionary – 0.2%			
6,100	Cogeco Cable Inc.	272,137	225,090
Financials – 0.8%			
11,100	Canadian Western Bank	265,534	274,725
14,000	Laurentian Bank of Canada	598,917	587,160
		864,451	861,885
Income Trust Units – 2.6%			
22,500	Chemtrade Logistics Income Fund	334,126	335,700
9,400	Crescent Point Energy Trust	347,664	378,914
10,500	Vermilion Energy Trust	412,233	464,625
82,100	Westshore Terminals Income Fund	1,261,519	1,623,117
		2,355,542	2,802,356
	TOTAL CANADIAN EQUITIES	5,028,643	5,467,817
FOREIGN EQUITIES – 88.4%			
United States – 44.0%			
35,400	Accelrys Inc.	266,266	147,306
4,100	Allegheny Technologies Inc.	438,417	247,382
26,900	American Software Inc. Class A	269,433	148,425
12,400	Arrow Electronics Inc.	532,969	388,002
19,300	Avnet Inc.	596,795	535,603
5,600	Brush Engineered Materials Inc.	340,595	139,416
6,700	Cabot Oil & Gas Corporation	269,980	462,137
91,600	Carriage Services Inc.	860,043	616,590
4,900	Charles River Laboratories Inc.	261,441	318,541
6,700	Ciena Corporation	284,474	158,123
84,400	Compuware Corporation	934,386	821,198
13,500	Continental Resource Inc.	288,567	953,477
11,700	Coventry Health Care Inc.	738,739	362,996
26,600	Crown Holdings Inc.	704,851	703,463
19,900	Davita Inc.	1,110,234	1,076,498
32,900	Eagle Test System Inc.	324,105	343,264
16,300	Endo Pharmaceutical Holdings Inc.	389,475	400,979
4,400	Ensco International Inc.	269,414	361,383
9,200	Esterline Technologies Corporation	465,247	462,210
16,500	Factset Research Systems Inc.	1,113,395	948,444
10,400	First United Corporation	270,796	189,758
12,600	Frontier Oil Corporation	374,974	307,261
39,500	Gamestop Corporation Class A	1,707,774	1,625,136
69,100	Glatfelter	993,475	952,117
16,800	Global Industries Ltd.	342,675	302,934
16,600	Goodyear Tire & Rubber Company	464,448	301,698
8,100	Graham Corporation	296,549	612,236
31,800	Harris Corporation	1,843,351	1,634,611
92,500	Harvard Bioscience Inc.	552,056	420,759
23,900	Health Net Inc.	1,497,768	586,232
36,700	Helemerich & Payne Inc.	1,331,342	2,695,728
19,700	Hillenbrand Inc.	454,323	426,955
11,800	HMN Financial Inc.	438,182	180,522
206,100	iGo Inc.	279,288	260,649
14,300	International Rectifier Corporation	324,712	279,294
1,500	Intuitive Surgical Inc.	438,724	406,633
9,200	KBR Inc.	344,661	327,000
38,100	Kennametal Inc.	1,459,357	1,262,500
6,400	Kirby Corporation	273,254	313,313
111,900	Labranche & Company Inc.	905,021	808,016
25,800	Lam Research Corporation	1,447,195	947,281
6,500	Lennox International Inc.	246,077	191,986
10,900	Lincare Holdings Inc.	376,173	307,160
21,200	Longs Drug Stores Corporation	1,231,673	910,496
46,700	LSI Logic Corporation	339,810	291,967
6,200	Manitowoc Company Inc.	248,873	205,383
65,200	Mariner Energy Inc.	1,670,679	2,458,407
5,200	MEMC Electronic Materials Inc.	341,048	326,270
13,000	Metavante Technologies Inc.	297,736	299,248
38,300	NRG Energy Inc.	1,692,054	1,675,374
3,100	Olympic Steel Inc.	114,281	236,241
88,400	Orchid Cellmark Inc.	419,541	232,610
19,200	Par Pharmaceutical Companies Inc.	582,211	317,621
9,400	Pediatrix Medical Group Inc.	592,285	471,970
19,800	PerkinElmer Inc.	578,079	562,402
6,700	Pharmaceutical Product Development Inc.	270,008	279,483
9,600	Progress Software Corporation	332,638	250,356
202,100	Retail Ventures Inc.	1,060,918	857,465
49,700	Rex Stores Corporation	972,338	585,457
71,100	Sierra Pacific Resources	1,375,902	920,212
62,800	Silicon Image Inc.	441,327	454,112
14,100	Somanetics Corporation	252,990	290,775
78,000	Standard Motor Products Inc.	1,537,806	648,349
61,200	Steel Dynamics Inc.	1,601,858	2,438,661
20,700	Stoneridge Inc.	275,655	360,169
66,600	Sun Healthcare Group Inc.	944,678	906,802
17,000	Sykes Enterprises Inc.	286,650	295,791
15,500	Syniverse Holdings Inc.	291,812	255,780
7,900	TBS International Ltd.-A	300,638	319,871
23,400	Techteam Global Inc.	288,233	226,962
20,700	Tidewater Inc.	1,379,146	1,369,740
23,100	Titanium Metals Corporation	915,165	329,128
24,800	Transatlantic Holdings Inc.	1,880,265	1,428,323
4,900	Universal Health Services Inc. Class B	323,384	315,292
3,100	US Cellular Corporation	263,281	177,940
15,800	US Physical Therapy Inc.	261,271	252,190
25,800	Vignette Corporation	435,726	310,761
39,100	Watson Pharmaceuticals Inc.	1,058,428	1,081,891
		51,979,388	47,278,715
Australia – 2.0%			
84,900	Hastie Group Ltd.	345,682	230,724
6,500	Incitec Pivot Ltd.	268,997	1,167,775
17,400	MacArthur Coal Ltd.	336,974	284,518
159,700	Macmahon Holdings Ltd.	265,749	260,384
22,147	Washington H. Soul Pattinson & Company Limited	235,562	244,472
		1,452,964	2,187,873
Belgium – 0.2%			
1,700	Bekaert NV	267,952	266,718
Bermuda – 2.5%			
6,700	Axis Capital Holdings Ltd.	277,931	203,701
32,800	Foster Wheeler Ltd.	1,616,517	2,446,728
		1,894,448	2,650,429
France – 3.2%			
3,700	Boiron SA	111,536	123,949
2,700	Bongrain SA	303,477	247,109
3,700	Credit Industriel et Commercial	1,608,640	901,920
780	Eramet	752,038	784,534
1,620	Esso Ste Anonyme Francaise	494,286	415,710
3,600	Manutan International	313,257	265,910
4,000	Thales SA	269,684	232,119
2,800	Thermador Groupe	570,151	427,327
		4,423,069	3,398,578
Germany – 3.7%			
8,700	Deutsche Boerse AG	1,422,430	995,793
1,500	Heidelbergcement AG	266,981	218,738
1,900	Man AG	277,165	214,378
8,900	Norddeutsche Affinerie AG	490,378	495,006
8,500	Salzgitter AG	1,537,304	1,582,960

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Small Cap Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES (cont'd)			
Germany (cont'd)			
5,600	Solon AG fuer Solartechnik	410,281	525,222
		4,404,539	4,032,097
Hong Kong – 2.0%			
860,000	Chow Sang Sang Holdings	1,096,500	888,454
964,000	Midland Holdings Ltd.	1,325,535	608,632
1,503,000	Prosperity Real Estate Investment	309,825	294,069
458,000	TCC International Holdings Ltd.	337,932	340,204
		3,069,792	2,131,359
Italy – 1.3%			
8,100	Biesse SpA	267,035	141,278
9,500	Danieli SpA	280,156	360,349
142,600	IFIL Investments SpA	1,572,416	942,382
		2,119,607	1,444,009
Japan – 10.0%			
148	Acca Networks Co. Ltd.	259,360	170,347
22,000	Aisan Industry Co. Ltd.	270,591	216,373
13,000	Akebono Brake Industry Company	95,876	77,670
8,200	Aloka Co. Ltd.	106,841	115,446
2,038	Apamanshop Holdings Co Ltd.	470,380	426,276
40,000	Belluna Co. Ltd.	339,244	278,735
58,000	Chubu Shiryo Co. Ltd.	548,889	444,322
12,000	Cocokara Fine Holdings Inc.	269,573	264,318
25,900	Daiichikosho Co. Ltd.	290,618	265,838
4,600	Fujitsu Frontech Ltd.	44,008	44,455
46,900	Futaba Industrial Co. Ltd.	1,285,639	1,104,729
16,000	H-One Co. Ltd.	273,961	147,591
12,600	Hisamitsu Pharmaceutical Co. Inc.	378,067	558,701
22,000	Hitachi Capital	278,771	360,226
71,000	Hokkan Holdings Ltd.	279,963	205,860
50,000	Kaken Pharmaceutical Co. Ltd.	407,459	425,578
537	KK Davinci Advisors	419,277	374,296
26,000	Koito Manufacturing Co. Ltd.	370,652	367,855
23,300	Konaka Co. Ltd.	272,913	112,112
17,800	Marubun Corporation	252,539	126,449
371	MID Real Estate Investment Trust Inc.	1,438,363	1,234,810
55,700	Miraca Holdings Inc.	1,248,593	1,363,026
18,000	Okaya & Co. Ltd.	278,647	232,897
394	Raysum Co. Ltd.	320,243	266,886
10,300	Ricoh Leasing Co. Ltd	274,924	228,674
17,000	Token Corporation	572,932	737,268
245	Tosei Corporation	156,858	112,435
47,800	Unipres Corporation	404,002	512,976
		11,609,183	10,776,149
Liberia – 0.4%			
10,600	Excel Maritime Carriers Ltd.	259,749	424,329
Singapore – 1.1%			
363,600	Noble Group Ltd.	549,526	647,975
210,000	Straits Asia Resources Ltd.	471,339	548,196
		1,020,865	1,196,171
Spain – 0.9%			
800	Construcciones y Auxiliar de Ferrocarriles SA	276,975	356,852
10,000	Corporacion Financiera Alba SA	708,453	595,963
		985,428	952,815
Sweden – 2.7%			
64,500	Aangpanneforeningen AB Series B	1,549,528	1,868,756
54,500	NCC AB Class B	1,596,595	832,258
110,900	Proffice AB Class B	334,452	255,113
		3,480,575	2,956,127
Switzerland – 4.0%			
3,900	Daetwyler Holding AG	269,950	286,638
500	Helvetia Holding AG	244,913	197,260
4,800	Syngenta AG	1,364,522	1,584,372
72,600	Temenos Group AG	1,858,259	2,283,272
		3,737,644	4,351,542
United Kingdom – 10.4%			
18,700	Antofagasta PLC	308,490	247,987
75,100	Aveva Group PLC	1,502,956	2,336,230
12,400	Charter PLC	274,477	217,683
776,500	Chaucer Holdings PLC	1,698,556	1,265,548
32,600	Chemring Group PLC	1,498,742	1,566,253
133,100	Ferrexpo PLC	1,023,489	1,066,212
65,300	Galliford Try PLC	250,192	50,082
79,100	Game Group PLC	269,731	464,840
54,900	Hunting PLC	930,932	979,207
32,700	JKX Oil & Gas PLC	302,894	347,672
12,200	Keller Group PLC	281,825	154,776
4,900	Lonmin PLC	302,543	315,064
49,300	Micro Focus International PLC	269,935	262,058
127,200	Petrofac Ltd.	1,325,640	1,905,511
		10,240,402	11,179,123
	TOTAL FOREIGN EQUITIES	100,945,605	95,226,034
	TOTAL INVESTMENT PORTFOLIO	105,974,248	100,693,851
	OTHER ASSETS, LESS LIABILITIES – 6.5%		6,983,772
	TOTAL NET ASSETS – 100.0%		107,677,623

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Small Cap Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Global Small Cap Fund (the "Fund") is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	50,583,057	47.0
British Pound	11,273,836	10.5
Euro Dollar	10,977,703	10.2
Japanese Yen	10,790,900	10.0
Swiss Franc	5,304,052	4.9
Swedish Krona	3,143,991	2.9
Australian Dollar	2,188,226	2.0
Hong Kong Dollar	2,133,549	2.0
Singapore Dollar	1,233,601	1.1
Norwegian Krone	178,479	0.2
Total	97,807,394	90.8

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively by approximately $9,780,739 (approximately 9.1% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $9,565,916 (approximately 8.9% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Global Opportunities Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$70,697,330	$60,779,107
Cash	5,090,097	7,013,205
Accrued investment income	81,825	71,027
Receivable for securities sold	–	359,561
Subscriptions receivable	94,740	62,645
Receivable from currency forward contracts	–	13,049
	75,963,992	68,298,594
LIABILITIES		
Payable for securities purchased	81,572	2,963,419
Distributions payable	–	202
Redemptions payable	10,361	50,207
Accrued expenses	18,883	22,811
Payable for currency forward contracts	172,406	–
	283,222	3,036,639
Net assets	$75,680,770	$65,261,955
NET ASSETS PER CLASS		
Class A Units	$ 6,213,331	$ 4,566,187
Advisor Class Units	$ 96	$ –
Class F Units	$ 7,373	$ 7,923
Class I Units	$69,459,970	$60,687,845
UNITS OUTSTANDING		
Class A Units	711,146	483,743
Advisor Class Units	11	–
Class F Units	820	820
Class I Units	7,720,522	6,321,236
NET ASSETS PER UNIT		
Class A Units	$ 8.74	$ 9.44
Advisor Class Units	$ 8.70	$ –
Class F Units	$ 8.99	$ 9.66
Class I Units	$ 9.00	$ 9.60

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,477,423	$ 284,113
Interest	87,071	59,222
Foreign withholding taxes	(198,282)	(47,037)
	1,366,212	296,298
EXPENSES		
Management fees (note 4)	60,075	64,305
Audit fees	6,135	4,201
Independent Review Committee fees	34	14
Custodian fees	16,331	7,330
Filing fees	8,190	12,118
Legal fees	1,126	10,775
Unitholder reporting	5,167	2,657
Unitholder administration, service fees and GST	30,363	20,408
	127,421	121,808
Absorbed expenses	(11,108)	(41,819)
	116,313	79,989
Net investment income (loss)	1,249,899	216,309
Net realized gain (loss) on investments sold	(64,124)	938,113
Net realized gain (loss) on foreign exchange	(171,657)	(11,799)
Transaction costs	(56,380)	(25,406)
Change in unrealized appreciation (depreciation) of investments	(5,202,023)	645,727
Change in unrealized appreciation (depreciation) of currency forward	(185,455)	(17,619)
Net gain (loss) on investments and transaction costs	(5,679,639)	1,529,016
Increase (decrease) in net assets from operations	$(4,429,740)	$1,745,325
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (405,363)	$ 287,043
Advisor Class Units+	$ (4)	$ –
Class F Units	$ (550)	$ 600
Class I Units	$(4,023,823)	$1,457,682
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.67)	$ 0.48
Advisor Class Units+	$ (0.36)	$ –
Class F Units	$ (0.67)	$ 0.59
Class I Units	$ (0.56)	$ 0.33

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 4,566,187	$ 7,297,696
Class F Units	7,923	10,485
Class I Units	60,687,845	–
	65,261,955	7,308,181
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(405,363)	287,043
Advisor Class Units+	(4)	–
Class F Units	(550)	600
Class I Units	(4,023,823)	1,457,682
	(4,429,740)	1,745,325
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,493,054	440,837
Advisor Class Units+	100	–
Class I Units	14,032,679	43,800,526
Payments on redemption		
Class A Units	(440,547)	(5,079,797)
Class F Units	–	(3,000)
Class I Units	(1,236,731)	(109,970)
	14,848,555	39,048,596
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	1,647,144	(4,351,917)
Advisor Class Units+	96	–
Class F Units	(550)	(2,400)
Class I Units	8,772,125	45,148,238
	10,418,815	40,793,921
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	6,213,331	2,945,779
Advisor Class Units+	96	–
Class F Units	7,373	8,085
Class I Units	69,459,970	45,148,238
	$75,680,770	$48,102,102

+ Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Global Opportunities Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 93.4%			
CANADIAN EQUITIES – 10.1%			
Energy – 2.4%			
17,800	Canadian Natural Resources Ltd.	1,208,325	1,794,952
Materials – 7.7%			
1,096,700	Eastern Platinum Ltd.	2,902,452	2,983,024
234,400	Mercator Minerals Ltd.	2,483,988	2,845,616
		5,386,440	5,828,640
	TOTAL CANADIAN EQUITIES	6,594,765	7,623,592
FOREIGN EQUITIES – 83.3%			
United States – 32.0%			
93,200	Capital Product Partners LP	2,355,208	1,707,179
134,000	Comcast Corporation Class A Special	3,129,824	2,510,561
146,100	Dell Inc.	3,722,346	3,260,276
194,300	Eclipsys Corporation	3,867,586	3,515,469
29,121	Freeport-McMoran Copper & Gold Inc. Class B	2,465,237	3,480,596
55,500	Huron Consulting Group Inc.	2,322,221	2,325,307
112,400	Intel Corporation	2,674,302	2,462,394
257,830	KKR Financial Holdings LLC	3,553,730	2,761,084
753,600	Level 3 Communications Inc.	3,884,974	2,267,356
		27,975,428	24,290,222
Bermuda – 5.7%			
497,500	Dockwise Ltd.	1,887,645	1,887,716
134,224	Global Crossing Ltd.	2,682,961	2,421,669
		4,570,606	4,309,385
Brazil – 2.3%			
135,800	Bovespa Holding SA	2,009,994	1,711,078
Greece – 2.2%			
46,800	OPAP SA	1,716,898	1,661,018
Hong Kong – 8.8%			
218,000	China Mobile (Hong Kong) Ltd.	2,851,540	2,975,495
2,017,000	Country Garden Holdings Company	2,214,975	1,328,430
162,300	Hong Kong Exchanges & Clearing Ltd.	2,786,547	2,404,510
		7,853,062	6,708,435
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
Ireland – 1.5%			
110,335	Babcock & Brown Air Ltd. ADR	2,110,159	1,123,054
Israel – 2.7%			
43,600	Teva Pharmaceutical Industries Ltd. ADR	1,879,284	2,036,614
Italy – 2.5%			
50,400	Eni SpA	1,748,424	1,914,297
Mexico – 3.6%			
50,300	America Movil SA de CV Series L ADR	2,968,244	2,706,121
Philippines – 1.8%			
11,436,000	PNOC Energy Development Corporation	1,559,492	1,350,648
Russia – 3.3%			
41,700	OAO Gazprom ADR	2,233,863	2,466,726
Spain – 3.1%			
87,500	Telefonica SA	2,535,789	2,358,776
Switzerland – 10.7%			
20,600	Bachem Holding AG Class B	1,838,112	1,868,767
11,800	Roche Holdings AG	1,942,645	2,159,641
31,600	Swiss Re	2,608,784	2,132,691
7,400	Verwaltings-und Privat-Bank AG	1,633,315	1,917,532
		8,022,856	8,078,631
United Kingdom – 3.1%			
784,900	Vodafone Group PLC	2,493,581	2,358,733
	TOTAL FOREIGN EQUITIES	69,677,680	63,073,738
	TOTAL INVESTMENT PORTFOLIO	76,272,445	70,697,330
	OTHER ASSETS, LESS LIABILITIES – 6.6%		4,983,440
	TOTAL NET ASSETS – 100.0%		75,680,770

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation / (Depreciation)
Dec 16, 2008	Philippines Peso	9,500,000	U.S. Dollar	205,672	217,157	(1,100)
Dec 16, 2008	U.S. Dollar	1,289,491	Philippines Peso	60,000,000	1,317,353	(2,204)
Nov 06, 2008	U.S. Dollar	4,538,235	Swiss Franc	4,800,000	4,797,640	(169,102)
					6,332,150	(172,406)

The currency forward contracts outstanding at June 30,2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Global Opportunities Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Global Opportunities Fund (the "Fund") is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	40,942,242	54.1
Hong Kong Dollar	6,708,435	8.9
Euro Dollar	5,934,091	7.8
Swiss Franc	3,280,990	4.3
British Pound	2,358,740	3.1
Norwegian Krone	1,887,716	2.5
Brazilian Real	1,835,203	2.4
Philippines Peso	250,452	0.3
Total	63,197,869	83.4

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively by approximately $6,319,787 (approximately 8.4% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of the interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $6,292,062 (approximately 8.3% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Global Climate Change Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008
ASSETS	
Investments at fair value	$7,760,656
Cash	476,311
Accrued investment income	4,922
Subscriptions receivable	155,565
	8,397,454
LIABILITIES	
Payable for securities purchased	323,925
Accrued expenses	13,852
	337,777
Net assets	$8,059,677
NET ASSETS PER CLASS	
Class A Units	$7,749,862
Advisor Class Units	$ 309,815
UNITS OUTSTANDING	
Class A Units	776,622
Advisor Class Units	31,047
NET ASSETS PER UNIT	
Class A Units	$ 9.98
Advisor Class Units	$ 9.98

STATEMENT OF OPERATIONS

For the period ended June 30,*

	2008
INVESTMENT INCOME	
Dividends	$ 40,979
Interest	4,054
Foreign withholding taxes	(7,860)
	37,173
EXPENSES	
Management fees (note 4)	34,564
Audit fees	5,705
Independent Review Committee fees	13
Custodian fees	29,678
Filing fees	248
Legal fees	792
Unitholder reporting	3,413
Unitholder administration, service fees and GST	19,126
	93,539
Absorbed expenses	(55,920)
	37,619
Net investment income (loss)	(446)
Net realized gain (loss) on investments sold	35,790
Net realized gain (loss) on foreign exchange	(40)
Transaction costs	(4,216)
Change in unrealized appreciation (depreciation) of investments	(166,936)
Net gain (loss) on investments and transaction costs	(135,402)
Increase (decrease) in net assets from operations	$(135,848)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Class A Units*	$(131,293)
Advisor Class Units*	$ (4,555)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT	
Class A Units*	$ (0.35)
Advisor Class Units*	$ (0.32)

STATEMENT OF CHANGES IN NET ASSETS

For the period ended June 30,*

	2008
NET ASSETS – BEGINNING OF PERIOD	
Class A Units*	$ –
Advisor Class Units*	–
	–
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Class A Units*	(131,293)
Advisor Class Units*	(4,555)
	(135,848)
UNIT TRANSACTIONS	
Proceeds from issue	
Class A Units*	7,949,339
Advisor Class Units*	314,370
Payments on redemption	
Class A Units*	(68,184)
	8,195,525
INCREASE (DECREASE) IN NET ASSETS	
Class A Units*	7,749,862
Advisor Class Units*	309,815
	8,059,677
TOTAL NET ASSETS – END OF PERIOD	
Class A Units*	7,749,862
Advisor Class Units*	309,815
	$8,059,677

* Start date February 4, 2008

The accompanying notes are an integral part of the financial statements

Scotia Global Climate Change Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 96.3%			
CANADIAN EQUITIES – 1.8%			
Financials – 1.0%			
2,405	Brookfield Asset Management Inc. Class A	79,220	79,606
Utilities – 0.8%			
12,806	Canadian Hydro Developers Inc.	74,955	68,384
	TOTAL CANADIAN EQUITIES	154,175	147,990
FOREIGN EQUITIES – 94.5%			
United States – 49.6%			
3,636	American Superconductor Corporation	103,266	131,832
9,719	Applied Materials Inc.	188,500	189,029
2,785	Archer-Daniels-Midland Company	124,281	95,665
2,165	Baxter International Inc.	131,973	141,008
350	Chicago Mercantile Exchange Holdings Inc.	165,146	136,778
2,732	Cisco Systems Inc.	68,300	64,811
3,152	Citigroup Inc.	73,531	53,686
6,367	Comverge Inc.	88,273	90,457
2,692	Convanta Holding Corporation	75,261	73,279
6,273	Corning Inc.	156,705	147,470
2,201	Danaher Corporation	168,526	173,410
8,341	Darling International Inc.	125,492	140,535
608	Deere & Company	51,283	44,728
1,583	DuPont (E.I.) de Nemours & Company	76,034	69,197
2,084	Enernoc Inc.	39,544	37,238
7,629	Evergreen Solar Inc.	79,105	75,085
890	Exelon Corporation	74,149	81,585
323	First Solar Inc.	80,349	89,779
1,545	FPL Group Inc.	101,020	103,211
7,617	Fuel Tech Inc.	158,632	135,950
6,300	General Electric Company	200,140	170,786
836	Goldman Sachs Group Inc.	150,178	148,717
201	Google Inc.	103,995	107,916
6,710	Hexcel Corporation	146,507	132,080
1,996	Itron Inc.	186,337	199,032
1,954	ITT Corporation	127,487	126,090
1,230	Jacobs Engineering Group Inc.	102,601	101,073
2,491	Johnson Controls Inc.	86,632	72,711
1,450	MEMC Electronic Materials Inc.	101,774	90,979
1,336	Monsanto Company	161,137	171,863
6,758	Nalco Holding Company	154,956	145,776
1,858	Schlumberger Ltd.	175,816	203,405
1,157	Sunpower Corporation Class A	92,786	84,938
1,428	VMWARE Inc. Class A	92,008	78,253
2,242	Waste Management Inc.	78,923	86,137
		4,090,647	3,994,489
Belgium – 0.7%			
3,306	Dexia SA	81,034	53,529
Cayman Islands – 1.0%			
2,088	Suntech Power Holdings Co. Ltd. ADR	90,932	79,773
Denmark – 3.8%			
1,471	Novozymes A/S Series B	135,200	134,743
1,263	Vestas Wind Systems A/S	147,166	168,086
		282,366	302,829
Finland – 3.4%			
2,337	Fortum Oyj	103,730	120,722
6,139	Nokia Oyj	180,351	153,389
		284,081	274,111

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES (cont'd)			
France – 7.8%			
1,233	EDF Energies Nouvelles SA	81,778	84,305
832	L'Air Liquide SA	110,920	111,882
1,970	Suez SA	132,865	136,469
1,925	Total SA	154,742	167,390
2,271	Veolia Environment	158,885	129,060
		639,190	629,106
Germany – 4.7%			
1,014	Metro AG	79,477	66,019
2,605	Nordex AG	109,687	110,257
878	Q-Cells AG	91,376	90,465
982	Siemens AG	118,582	110,287
		399,122	377,028
Ireland – 0.8%			
6,422	Kingspan Group PLC	77,708	63,362
Japan – 2.0%			
5,300	Keihin Corporation	85,173	81,804
15,000	Toray Industries Inc.	93,484	82,203
		178,657	164,007
Netherlands – 1.0%			
2,432	Koninklijke (Royal) Philips Electronics NV	94,061	83,767
Norway – 1.1%			
12,789	Tomra Systems ASA	92,174	86,505
Singapore – 0.8%			
29,000	Hyflux Ltd.	74,190	64,867
South Africa – 1.2%			
1,557	Sasol Ltd.	86,759	93,525
Spain – 4.1%			
3,002	Abengoa SA	99,908	95,586
2,793	Gamesa Corp Tecnologica SA	131,891	139,829
12,326	Iberdrola Renovables	84,263	97,055
		316,062	332,470
Switzerland – 8.1%			
7,352	ABB Ltd.	207,250	211,634
1,910	Nestle SA	92,193	87,812
1,964	Novartis AG	99,073	109,847
588	Roche Holdings AG	105,791	107,616
419	Syngenta AG	125,594	138,302
		629,901	655,211
United Kingdom – 4.4%			
3,615	BG Group PLC	88,142	96,042
11,917	Centrica PLC	73,642	74,980
5,874	HSBC Holdings PLC	95,405	92,372
2,539	Johnson Matthey PLC	99,220	94,693
		356,409	358,087
	TOTAL FOREIGN EQUITIES	7,773,293	7,612,666
	TOTAL INVESTMENT PORTFOLIO	7,927,468	7,760,656
	OTHER ASSETS, LESS LIABILITIES – 3.7%		299,021
	TOTAL NET ASSETS – 100.0%		8,059,677

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Global Climate Change Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Global Climate Change Fund (the "Fund") is to achieve long-term capital growth. It invests primarily in a diversified portfolio of equity securities of companies located around the world that are expected to profit from direct or indirect actions taken by such companies to mitigate the impact of climate change on the environment.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	4,231,203	52.5
Euro Dollar	1,809,554	22.5
Swiss Franc	654,612	8.1
British Pound	359,405	4.5
Danish Krone	303,621	3.8
Japanese Yen	164,232	2.0
South African Financial Rand	93,600	1.2
Norwegian Krone	86,507	1.1
Singapore Dollar	64,867	0.8
Total	7,767,601	96.5

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $776,760 (approximately 9.6% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $706,220 (approximately 8.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Canadian Bond Index Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$126,728,333	$109,378,494
Cash	70,948	165,841
Accrued investment income	1,069,134	1,023,242
Receivable for securities sold	49,610	–
Subscriptions receivable	297,033	31,953
	128,215,058	110,599,530
LIABILITIES		
Payable for securities purchased	49,834	–
Distributions payable	8,217	116
Redemptions payable	370,915	61,199
Accrued expenses	68,961	66,154
	497,927	127,469
Net assets	$127,717,131	$110,472,061
NET ASSETS PER CLASS		
Class A Units	$ 86,696,474	$ 74,618,592
Class F Units	$ 498,193	$ 1,154,714
Class I Units	$ 40,522,464	$ 34,698,755
UNITS OUTSTANDING		
Class A Units	8,194,552	7,030,552
Class F Units	46,935	108,519
Class I Units	3,836,262	3,270,641
NET ASSETS PER UNIT		
Class A Units	$ 10.58	$ 10.61
Class F Units	$ 10.61	$ 10.64
Class I Units	$ 10.56	$ 10.61

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$2,946,816	$ 2,805,425
Securities lending	3,819	3,073
	2,950,635	2,808,498
EXPENSES		
Management fees (note 4)	283,048	288,025
Audit fees	8,875	8,097
Independent Review Committee fees	228	140
Custodian fees	5,248	8,074
Filing fees	8,559	8,347
Legal fees	1,630	2,127
Unitholder reporting	10,605	7,600
Unitholder administration, service fees and GST	76,518	85,623
	394,711	408,033
Absorbed expenses	(936)	(9,807)
	393,775	398,226
Net investment income (loss)	2,556,860	2,410,272
Net realized gain (loss) on investments sold	97,011	(230,931)
Change in unrealized appreciation (depreciation) of investments	(444,524)	(3,579,458)
Net gain (loss) on investments and transaction costs	(347,513)	(3,810,389)
Increase (decrease) in net assets from operations	$2,209,347	$(1,400,117)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$1,367,355	$(1,053,962)
Class F Units	$ 19,188	$ (10,801)
Class I Units	$ 822,804	$ (335,354)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.18	$ (0.14)
Class F Units	$ 0.28	$ (0.08)
Class I Units	$ 0.22	$ (0.11)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 74,618,592	$ 79,213,360
Class F Units	1,154,714	1,450,767
Class I Units	34,698,755	28,051,568
	110,472,061	108,715,695
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,367,355	(1,053,962)
Class F Units	19,188	(10,801)
Class I Units	822,804	(335,354)
	2,209,347	(1,400,117)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(1,725,754)	(1,713,654)
Class F Units	(16,552)	(31,267)
Class I Units	(1,021,447)	(838,620)
	(2,763,753)	(2,583,541)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	19,493,444	14,008,961
Class F Units	47,255	165,939
Class I Units	7,528,476	10,225,671
Reinvested distributions		
Class A Units	1,688,933	1,673,522
Class F Units	13,088	30,162
Class I Units	1,021,500	838,812
Payments on redemption		
Class A Units	(8,746,096)	(12,048,168)
Class F Units	(719,500)	(395,008)
Class I Units	(2,527,624)	(3,063,443)
	17,799,476	11,436,448
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	12,077,882	866,699
Class F Units	(656,521)	(240,975)
Class I Units	5,823,709	6,827,066
	17,245,070	7,452,790
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	86,696,474	80,080,059
Class F Units	498,193	1,209,792
Class I Units	40,522,464	34,878,634
	$127,717,131	$116,168,485

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 98.7%			
Federal Bonds – 44.1%			
35,000	Business Development Bank 4.35% due Feb. 28, 2022	35,232	34,690
1,400,000	Canada Housing Trust 4.65% due Sep. 15, 2009	1,413,432	1,420,588
1,280,000	Canada Housing Trust 3.75% due Mar. 15, 2010	1,274,536	1,285,106
1,470,000	Canada Housing Trust 3.55% due Sep. 15, 2010	1,475,310	1,468,187
1,810,000	Canada Housing Trust 4.05% due Mar. 15, 2011	1,800,789	1,825,483
2,320,000	Canada Housing Trust 4.60% due Sep. 15, 2011	2,341,966	2,375,552
1,400,000	Canada Housing Trust 3.95% due Dec. 15, 2011	1,397,312	1,405,549
1,290,000	Canada Housing Trust 4.00% due Jun. 15, 2012	1,285,614	1,295,955
1,439,000	Canada Housing Trust 4.80% due Jun. 15, 2012	1,438,640	1,487,437
3,650,000	Canada Housing Trust 4.55% due Dec. 15, 2012	3,673,511	3,743,392
1,400,000	Canada Housing Trust 3.60% due Jun. 15, 2013	1,397,746	1,378,685
1,500,000	Canada Housing Trust 3.95% due Jun. 15, 2013	1,497,705	1,500,446
35,000	Canada Mortgage & Housing Corporation 4.25% due Feb. 1, 2016	34,106	35,332
130,000	Export Development Corporation 6.20% due Jun. 22, 2010	132,098	136,608
175,000	Export Development Corporation 5.75% due Jun. 1, 2011	178,547	184,491
400,000	Export Development Corporation 5.80% due Dec. 3, 2012	417,440	431,037
80,000	Export Development Corporation 5.10% due Jun. 2, 2014	79,994	84,750
50,000	Export Development Corporation 4.30% due Jun. 1, 2016	49,842	50,634
65,000	Farm Credit Corporation 4.50% due Jun. 1, 2009	64,984	65,676
16,000	Farm Credit Corporation 4.00% due May 24, 2013	15,963	16,065
33,000	Farm Credit Corporation 4.15% due Dec. 1, 2015	32,816	33,105
16,000	Farm Credit Corporation 4.30% due Oct. 5, 2020	16,004	15,880
177,000	Farm Credit Corporation 4.55% due Apr. 12, 2021	179,463	179,502
20,000	Government of Canada 11.50% due Mar. 1, 2009	27,441	21,093
160,000	Government of Canada 10.75% due Oct. 1, 2009	213,875	174,552
500,000	Government of Canada 3.75% due Jun. 1, 2010	512,800	504,655
910,000	Government of Canada 5.50% due Jun. 1, 2010	983,567	947,719
180,000	Government of Canada 9.50% due Jun. 1, 2010	226,000	200,687
2,503,000	Government of Canada 4.00% due Sep. 1, 2010	2,537,190	2,540,137
690,000	Government of Canada 9.00% due Mar. 1, 2011	846,882	788,303
1,265,000	Government of Canada 6.00% due Jun. 1, 2011	1,368,388	1,356,475
1,463,000	Government of Canada 3.75% due Sep. 1, 2011	1,459,897	1,478,088
1,125,000	Government of Canada 3.75% due Jun. 1, 2012	1,135,885	1,137,849
1,450,000	Government of Canada 5.25% due Jun. 1, 2012	1,552,660	1,545,628
1,775,000	Government of Canada 3.50% due Jun. 1, 2013	1,786,956	1,778,337
780,000	Government of Canada 5.25% due Jun. 1, 2013	858,169	842,513
418,000	Government of Canada 10.25% due Mar. 15, 2014	586,781	561,942
1,254,100	Government of Canada 5.00% due Jun. 1, 2014	1,306,862	1,351,856
1,174,000	Government of Canada 4.50% due Jun. 1, 2015	1,212,132	1,238,893
193,000	Government of Canada 11.25% due Jun. 1, 2015	297,492	282,788
2,192,000	Government of Canada 4.00% due Jun. 1, 2016	2,158,219	2,241,485
2,225,000	Government of Canada 4.00% due Jun. 1, 2017	2,253,255	2,268,098
2,138,000	Government of Canada 4.25% due Jun. 1, 2018	2,217,730	2,212,226
140,000	Government of Canada 9.75% due Jun. 1, 2021	199,838	221,267
1,113,000	Government of Canada 8.00% due Jun. 1, 2023	1,554,826	1,603,018
577,000	Government of Canada 9.00% due Jun. 1, 2025	842,705	919,348
795,800	Government of Canada 8.00% due Jun. 1, 2027	1,106,756	1,196,152
1,845,000	Government of Canada 5.75% due Jun. 1, 2029	2,184,072	2,261,206
2,186,000	Government of Canada 5.75% due Jun. 1, 2033	2,722,910	2,741,133
2,950,000	Government of Canada 5.00% due Jun. 1, 2037	3,317,450	3,405,716
		55,703,788	56,275,314
Municipal Bonds – 1.5%			
100,000	Alberta Municipal Finance Corporation 5.70% due Sep. 1, 2011	108,142	105,353
260,000	Alberta Municipal Finance Corporation 5.85% due Jun. 1, 2012	261,454	277,602
100,000	British Columbia Municipal Financial Authority 5.25% due Jun. 1, 2009	91,327	101,632
20,000	British Columbia Municipal Financial Authority 4.00% due Dec. 1, 2010	19,950	20,098
35,000	British Columbia Municipal Financial Authority 5.25% due Dec. 3, 2012	34,801	36,578
30,000	British Columbia Municipal Financial Authority 4.90% due Dec. 2, 2014	29,987	31,075
25,000	British Columbia Municipal Financial Authority 4.15% due Oct. 13, 2015	24,968	24,611
162,000	British Columbia Municipal Financial Authority 4.65% due Apr. 19, 2016	164,721	163,681
85,000	British Columbia Municipal Financial Authority 4.80% due Dec. 1, 2017	84,944	85,941
60,000	City of Edmonton, Alberta 11.50% due Dec. 13, 2010	80,700	70,593
50,000	City of Edmonton, Alberta 9.63% due Feb. 13, 2012	62,963	59,147
25,000	City of Montreal, Quebec 4.60% due Jun. 1, 2017	24,949	24,736
115,000	City of Montreal, Quebec 6.00% due Jun. 1, 2043	121,597	129,786
20,000	City of Toronto, Ontario 6.25% due Aug. 3, 2010	19,854	20,992
130,000	City of Toronto, Ontario 5.30% due May 21, 2014	129,753	136,437

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Municipal Bonds (cont'd)			
30,000	City of Toronto, Ontario 4.55% due May 20, 2015	29,826	30,229
55,000	City of Toronto, Ontario 4.85% due Jul. 28, 2016	54,767	55,829
37,000	City of Toronto, Ontario 5.05% due Jul. 18, 2017	36,899	37,752
17,743	City of Toronto, Ontario 5.34% due Jul. 18, 2027	17,743	18,247
25,000	City of Vancouver, British Columbia 4.70% due Dec. 1, 2017	24,852	24,968
15,000	Hydro Ottawa Holding Inc. 4.93% due Feb. 9, 2015	14,994	15,208
100,000	Metropolitan Toronto, Ontario 8.65% due Jun. 8, 2015	124,069	124,339
75,000	Province of British Columbia 4.95% due Dec. 1, 2027	74,748	74,216
30,000	Regional Municipality of York Ontario 4.50% due Sep. 28, 2016	29,921	29,682
35,007	Toronto Hospital 5.64% due Dec. 8, 2022	34,237	36,690
40,000	Toronto Hydro Corporation 6.11% due May 7, 2013	39,976	42,733
40,000	Vancouver International Airport Authority 4.42% due Dec. 7, 2018	40,000	38,224
108,000	Ville de Montreal 5.00% due Dec. 1, 2017	108,530	109,239
50,000	Ville de Montreal 5.00% due Dec. 1, 2018	49,574	50,176
20,000	Winnipeg Airport Authority Inc. 5.21% due Sep. 28, 2040	20,000	18,914
		1,960,246	1,994,708
Provincial Bonds – 26.9%			
135,000	55 Ontario School Board Trust 5.90% due Jun. 2, 2033	134,906	152,604
51,000	Alberta Capital Finance Authority 4.35% due Jun. 15, 2016	50,648	51,154
73,000	Alberta Capital Finance Authority 4.65% due Jun. 15, 2017	72,768	74,475
15,000	Alberta Capital Finance Authority 4.45% due Dec. 15, 2025	14,953	14,484
88,000	Alberta Treasury Branch 4.10% due Jun. 1, 2011	87,245	88,680
50,000	Alberta Treasury Branch 4.10% due Dec. 1, 2011	49,773	50,299
45,000	BC Ferry Services Inc. 5.74% due May 27, 2014	44,976	47,416
40,000	BC Ferry Services Inc. 6.25% due Oct. 13, 2034	39,952	43,473
50,000	City of Toronto, Ontario 4.95% due Jun. 27, 2018	49,848	50,424
30,000	Concordia University 6.55% due Sep. 2, 2042	29,995	35,904
70,000	Financement Quebec 5.75% due Dec. 1, 2008	69,380	70,753
80,000	Financement Quebec 4.75% due Dec. 1, 2009	81,006	81,336
160,000	Financement Quebec 5.25% due Dec. 1, 2011	162,203	166,579
197,000	Financement Quebec 4.25% due Mar. 1, 2014	194,073	197,689
87,000	Financement Quebec 4.25% due Dec. 1, 2015	87,758	86,466
80,000	Financement Quebec 5.25% due Jun. 1, 2034	85,869	84,039
75,000	Hydro One Inc. 3.95% due Feb. 24, 2009	75,261	75,175
230,000	Hydro One Inc. 7.15% due Jun. 3, 2010	249,210	242,554
40,000	Hydro One Inc. 5.77% due Nov. 15, 2012	41,658	42,140
129,000	Hydro One Inc. 4.64% due Mar. 3, 2016	128,705	128,856
50,000	Hydro One Inc. 5.18% due Oct. 18, 2017	49,973	51,332
85,000	Hydro One Inc. 7.35% due Jun. 3, 2030	84,897	105,729
50,000	Hydro One Inc. 6.93% due Jun. 1, 2032	53,175	59,922
20,000	Hydro One Inc. 6.35% due Jan. 31, 2034	20,151	22,551
100,000	Hydro One Inc. 5.36% due May 20, 2036	99,610	98,985
200,000	Hydro-Quebec 6.00% due Jul. 15, 2009	198,110	205,378
250,000	Hydro-Quebec 6.50% due Feb. 15, 2011	256,435	267,000
340,000	Hydro-Quebec 10.00% due Sep. 26, 2011	432,337	402,241
125,000	Hydro-Quebec 10.25% due Jul. 16, 2012	167,094	153,916
154,000	Hydro-Quebec 10.50% due Oct. 15, 2021	238,623	240,826
160,000	Hydro-Quebec 9.63% due Jul. 15, 2022	215,280	239,114
40,000	Hydro-Quebec 6.00% due Aug. 15, 2031	37,938	46,057
440,000	Hydro-Quebec 6.50% due Feb. 15, 2035	498,587	547,574
711,000	Hydro-Quebec 6.00% due Feb. 15, 2040	828,532	843,246
567,000	Hydro-Quebec 5.00% due Feb. 15, 2045	585,961	582,583
20,000	McMaster University 6.15% due Oct. 7, 2052	19,981	23,275
40,000	Newfoundland & Labrador Hydro 4.33% due Oct. 13, 2016	39,910	39,782
60,000	Newfoundland & Labrador Hydro 10.25% due Jul. 14, 2017	83,494	85,729
175,000	Newfoundland & Labrador Hydro 6.65% due Aug. 27, 2031	174,729	218,828
100,000	Ontario Hydro 10.00% due Feb. 6, 2020	137,618	148,230
140,000	Ontario Hydro 8.90% due Aug. 18, 2022	182,350	200,686
155,000	Ontario Hydro 8.50% due May 26, 2025	194,424	221,065
450,000	Ontario Hydro 8.25% due Jun. 22, 2026	651,077	636,442
40,000	Ontario School Boards Financing Corporation 6.30% due Sep. 22, 2010	39,856	42,053
40,000	Ontario School Boards Financing Corporation 5.30% due Nov. 7, 2013	40,000	42,029
25,000	Ontario School Boards Financing Corporation 5.70% due Oct. 11, 2017	24,935	27,035
30,976	Ontario School Boards Financing Corporation 5.90% due Oct. 11, 2027	30,814	34,393
46,365	Ontario School Boards Financing Corporation 5.48% due Nov. 26, 2029	46,364	48,162
18,891	Ontario School Boards Financing Corporation 4.79% due Aug. 8, 2030	18,891	18,424
24,902	Ontario School Boards Financing Corporation 5.07% due Apr. 18, 2031	24,902	24,794

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
38,232	Ontario School Boards Financing Corporation 5.38% due Jun. 25, 2032	38,232	39,237
100,000	Ontario Strategic Infrastructure Finance Authority 4.60% due Jun. 1, 2015	99,699	101,475
260,000	Province of British Columbia 6.38% due Aug. 23, 2010	266,743	274,558
320,000	Province of British Columbia 5.75% due Jan. 9, 2012	337,243	339,265
275,000	Province of British Columbia 8.50% due Aug. 23, 2013	330,706	331,395
80,000	Province of British Columbia 5.30% due Jun. 18, 2014	79,504	85,060
90,000	Province of British Columbia 4.70% due Dec. 1, 2017	89,674	92,139
100,000	Province of British Columbia 5.60% due Jun. 1, 2018	108,177	109,169
30,000	Province of British Columbia 5.30% due Jun. 17, 2019	30,065	32,090
30,000	Province of British Columbia 4.80% due Jun. 15, 2021	30,070	30,574
290,000	Province of British Columbia 6.15% due Nov. 19, 2027	273,509	341,377
250,000	Province of British Columbia 5.70% due Jun. 18, 2029	273,500	281,198
200,000	Province of British Columbia 6.35% due Jun. 18, 2031	212,740	244,094
70,000	Province of British Columbia 5.40% due Jun. 18, 2035	69,733	77,303
233,000	Province of British Columbia 4.70% due Jun. 18, 2037	235,502	232,794
100,000	Province of Manitoba 5.85% due Jan. 25, 2011	99,708	105,139
50,000	Province of Manitoba 5.25% due Dec. 3, 2012	49,883	52,479
46,000	Province of Manitoba 4.25% due Jun. 3, 2013	45,822	46,410
90,000	Province of Manitoba 5.05% due Dec. 3, 2013	90,639	94,137
40,000	Province of Manitoba 4.80% due Dec. 3, 2014	39,764	41,359
40,000	Province of Manitoba 5.20% due Dec. 3, 2015	42,873	42,319
82,000	Province of Manitoba 4.30% due Mar. 1, 2016	81,554	81,878
50,000	Province of Manitoba 4.70% due Sep. 22, 2017	49,802	51,038
45,000	Province of Manitoba 4.25% due Mar. 5, 2018	44,811	44,177
40,000	Province of Manitoba 4.75% due Feb. 11, 2020	39,630	40,504
150,000	Province of Manitoba 7.75% due Dec. 22, 2025	175,083	201,899
125,000	Province of Manitoba 5.70% due Mar. 5, 2037	141,079	142,482
168,000	Province of Manitoba 4.60% due Mar. 5, 2038	163,413	162,778
30,000	Province of Manitoba 4.65% due Mar. 5, 2040	29,976	29,279
175,000	Province of New Brunswick 6.38% due Jun. 15, 2010	174,551	183,986
60,000	Province of New Brunswick 5.80% due Jul. 12, 2011	59,440	63,311
200,000	Province of New Brunswick 5.85% due Dec. 1, 2011	210,300	212,311
200,000	Province of New Brunswick 5.88% due Dec. 6, 2012	209,880	214,827
100,000	Province of New Brunswick 4.50% due Feb. 4, 2015	99,358	101,540
130,000	Province of New Brunswick 8.75% due May 12, 2015	159,667	164,585
92,000	Province of New Brunswick 4.30% due Dec. 3, 2015	91,810	91,987
75,000	Province of New Brunswick 4.70% due Jul. 21, 2016	74,439	76,763
175,000	Province of New Brunswick 6.00% due Dec. 27, 2017	197,531	195,294
50,000	Province of New Brunswick 5.65% due Dec. 27, 2028	45,795	55,126
90,000	Province of New Brunswick 5.50% due Jan. 27, 2034	90,342	98,970
114,000	Province of New Brunswick 4.65% due Sep. 26, 2035	115,272	111,197
180,000	Province of New Brunswick 4.55% due Mar. 26, 2037	172,627	172,684
50,000	Province of New Brunswick 4.80% due Sep. 26, 2039	50,451	49,861
50,000	Province of Newfoundland 6.40% due Jul. 25, 2011	49,858	53,615
75,000	Province of Newfoundland 10.13% due Nov. 22, 2014	102,518	99,681
65,000	Province of Newfoundland 10.95% due Apr. 15, 2021	96,801	103,967
35,000	Province of Newfoundland 6.15% due Apr. 17, 2028	33,447	40,834
50,000	Province of Newfoundland 6.55% due Oct. 17, 2030	50,061	61,644
65,000	Province of Newfoundland 4.50% due Apr. 17, 2037	64,598	61,960
117,000	Province of Newfoundland 4.65% due Oct. 17, 2040	112,981	114,163
90,000	Province of Nova Scotia 5.40% due Jun. 1, 2009	84,164	91,662
85,000	Province of Nova Scotia 6.40% due Sep. 1, 2010	85,256	89,769
150,000	Province of Nova Scotia 6.25% due Jun. 1, 2011	149,454	159,854
25,000	Province of Nova Scotia 4.50% due Jun. 1, 2013	24,884	25,497
40,000	Province of Nova Scotia 4.70% due Jan. 14, 2015	39,877	41,084
60,000	Province of Nova Scotia 4.60% due Aug. 18, 2016	59,648	61,032
75,000	Province of Nova Scotia 4.45% due Oct. 24, 2021	73,511	73,443
130,000	Province of Nova Scotia 9.60% due Jan. 30, 2022	179,967	194,049
75,000	Province of Nova Scotia 6.60% due Jun. 1, 2027	72,360	91,542
50,000	Province of Nova Scotia 5.80% due Jun. 1, 2033	52,302	57,174
55,000	Province of Nova Scotia 4.90% due Jun. 1, 2035	55,465	55,849
85,000	Province of Nova Scotia 4.50% due Jun. 1, 2037	84,370	81,119
110,000	Province of Ontario 4.00% due May 19, 2009	109,270	110,666
37,741	Province of Ontario 3.21% due Aug. 13, 2009	37,801	37,702
410,000	Province of Ontario 6.20% due Nov. 19, 2009	405,527	424,698
178,000	Province of Ontario 4.00% due May 19, 2010	176,064	179,266

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
405,000	Province of Ontario 6.10% due Nov. 19, 2010	409,671	427,010
93,000	Province of Ontario 4.40% due Dec. 2, 2011	92,393	94,476
200,000	Province of Ontario 6.10% due Dec. 2, 2011	207,970	213,928
1,090,000	Province of Ontario 4.50% due Dec. 2, 2012	1,122,907	1,111,498
100,000	Province of Ontario 5.38% due Dec. 2, 2012	101,000	105,476
250,000	Province of Ontario 4.75% due Jun. 2, 2013	261,125	257,955
725,000	Province of Ontario 5.00% due Mar. 8, 2014	754,197	757,441
1,066,500	Province of Ontario 4.50% due Mar. 8, 2015	1,063,914	1,085,575
371,000	Province of Ontario 4.40% due Mar. 8, 2016	366,785	373,776
928,000	Province of Ontario 4.30% due Mar. 8, 2017	923,701	924,177
605,000	Province of Ontario 4.20% due Mar. 8, 2018	598,622	593,537
200,000	Province of Ontario 9.50% due Jul. 13, 2022	268,132	298,742
700,000	Province of Ontario 8.10% due Sep. 8, 2023	938,210	958,145
180,000	Province of Ontario 7.60% due Jun. 2, 2027	227,954	242,957
110,000	Province of Ontario 6.25% due Aug. 25, 2028	110,879	130,229
660,000	Province of Ontario 6.50% due Mar. 8, 2029	671,460	808,098
90,000	Province of Ontario 6.20% due Jun. 2, 2031	89,415	107,496
735,000	Province of Ontario 5.85% due Mar. 8, 2033	773,700	848,918
802,000	Province of Ontario 5.60% due Jun. 2, 2035	880,545	905,235
1,113,000	Province of Ontario 4.70% due Jun. 2, 2037	1,106,292	1,105,293
175,000	Province of Ontario 4.60% due Jun. 2, 2039	172,801	170,909
50,000	Province of Prince Edward Island 6.80% due Feb. 21, 2030	49,689	62,949
20,000	Province of Prince Edward Island 5.70% due Jun. 15, 2035	19,982	22,640
20,000	Province of Prince Edward Island 5.30% due May 19, 2036	19,872	21,427
20,000	Province of Prince Edward Island 4.65% due Nov. 19, 2037	19,991	19,457
110,000	Province of Quebec 5.50% due Jun. 1, 2009	100,902	112,127
300,000	Province of Quebec 6.25% due Dec. 1, 2010	323,910	317,478
200,000	Province of Quebec 6.00% due Oct. 1, 2012	204,120	215,396
200,000	Province of Quebec 5.25% due Oct. 1, 2013	210,178	210,855
320,000	Province of Quebec 5.50% due Dec. 1, 2014	331,794	343,057
875,000	Province of Quebec 5.00% due Dec. 1, 2015	910,908	913,747
630,000	Province of Quebec 4.50% due Dec. 1, 2016	618,245	635,177
754,000	Province of Quebec 4.50% due Dec. 1, 2017	734,487	756,001
575,000	Province of Quebec 4.50% due Dec. 1, 2018	578,711	572,948
300,000	Province of Quebec 6.00% due Oct. 1, 2029	335,880	344,588
364,000	Province of Quebec 6.25% due Jun. 1, 2032	353,269	433,375
320,000	Province of Quebec 5.75% due Dec. 1, 2036	348,918	364,499
382,000	Province of Quebec 5.00% due Dec. 1, 2038	386,646	391,607
125,000	Province of Saskatchewan 6.50% due Nov. 12, 2009	131,594	129,966
85,000	Province of Saskatchewan 6.15% due Sep. 1, 2010	94,452	89,381
100,000	Province of Saskatchewan 10.25% due Apr. 10, 2014	131,100	131,058
40,000	Province of Saskatchewan 5.25% due Jun. 3, 2014	39,699	42,365
30,000	Province of Saskatchewan 4.25% due Dec. 3, 2015	29,797	30,000
60,000	Province of Saskatchewan 4.50% due Aug. 23, 2016	59,590	60,788
100,000	Province of Saskatchewan 6.40% due Sep. 5, 2031	103,020	122,413
123,000	Province of Saskatchewan 5.60% due Sep. 5, 2035	127,591	139,016
80,000	Province of Saskatchewan 5.00% due Mar. 5, 2037	80,868	83,241
142,000	Province of Saskatchewan 4.75% due Jun. 1, 2040	145,940	142,257
350,000	Quebec Hydro 11.00% due Aug. 15, 2020	557,550	553,493
50,000	Simon Fraser University 5.61% due Jun. 10, 2043	50,000	54,582
20,000	University of British Columbia 4.82% due Jul. 26, 2035	20,000	19,517
20,000	University of Guelph 6.24% due Oct. 10, 2042	19,974	23,175
47,787	University of Ontario Institute of Technology 6.35% due Oct. 15, 2034	47,787	50,118
35,000	University of Western Ontario 4.80% due May 24, 2047	35,000	33,543
25,000	University of Windsor 5.37% due Jun. 29, 2046	25,000	25,917
20,000	Wilfrid Laurier University 5.43% due Feb. 1, 2045	20,000	20,676
100,000	York University 6.48% due Mar. 7, 2042	99,972	122,129
		33,255,125	34,444,033
Corporate Bonds – 26.2%			
430,000	407 ETR International Inc. 6.05% due Jul. 27, 2009	439,220	438,742
110,000	407 ETR International Inc. 4.90% due Oct. 4, 2010	109,945	111,364
100,000	407 ETR International Inc. 6.47% due Jul. 27, 2029	112,757	110,234
55,000	407 ETR International Inc. 5.96% due Dec. 3, 2035	54,961	57,667
79,000	407 ETR International Inc. 5.75% due Feb. 14, 2036	78,899	75,902
119,830	Aeroports de Montreal 6.95% due Apr. 16, 2032	136,055	140,072
50,000	Aeroports de Montreal 5.17% due Sep. 17, 2035	49,939	47,489
55,000	Aeroports de Montreal 5.67% due Oct. 16, 2037	54,945	56,201

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
20,000	AGT Ltd. 8.80% due Sep. 22, 2025	23,974	24,388
65,000	Algonquin Credit Card Trust 3.99% due Oct. 15, 2010	65,000	63,666
153,890	Alliance Pipeline LP 7.23% due Jun. 30, 2015	158,559	165,796
39,659	Alliance Pipeline LP 7.18% due Jun. 30, 2023	41,638	44,041
34,625	Alliance Pipeline LP 5.55% due Dec. 31, 2023	34,625	35,315
82,649	Alliance Pipeline LP 6.77% due Dec. 31, 2025	82,649	92,845
58,859	Alliance Pipeline LP 7.22% due Dec. 31, 2025	62,244	66,781
32,000	AltaLink LP 5.02% due Nov. 21, 2012	32,000	31,807
30,000	AltaLink LP 5.43% due Jun. 5, 2013	32,363	31,053
105,000	American Express Canada 5.90% due Apr. 2, 2013	104,877	105,553
82,000	American Express Canada Credit Corporation 4.24% due Jan. 27, 2009	81,984	82,033
82,000	American Express Canada Credit Corporation 4.30% due Nov. 12, 2010	81,851	80,320
65,000	American Express Canada Credit Corporation 4.70% due May 20, 2011	64,995	63,792
55,000	Asian Development Bank 4.75% due Jun. 15, 2017	54,909	56,426
101,000	Asian Development Bank 4.65% due Feb. 16, 2027	101,062	98,515
40,000	Bank of Montreal 4.45% due Oct. 13, 2008	39,994	40,110
100,000	Bank of Montreal 4.30% due Sep. 4, 2009	99,942	100,092
200,000	Bank of Montreal 7.00% due Jan. 28, 2010	208,540	207,795
120,000	Bank of Montreal 4.69% due Jan. 31, 2011	119,418	120,226
250,000	Bank of Montreal 5.04% due Sep. 4, 2012	251,925	251,265
150,000	Bank of Montreal 4.65% due Mar. 14, 2013	149,925	148,246
100,000	Bank of Montreal 4.78% due Apr. 30, 2014	99,981	98,463
80,000	Bank of Montreal (callable) 4.00% due Jan. 21, 2015-(2010)	79,982	79,310
95,000	Bank of Montreal 5.10% due Apr. 21, 2016	95,000	92,249
185,000	Bank of Montreal (callable) 5.20% due Jun. 21, 2017-(2012)	184,993	185,244
118,000	Bank of Montreal 5.45% due Jul. 17, 2017	117,946	118,505
95,000	Bank of Montreal 4.55% due Aug. 1, 2017	94,990	89,168
90,000	Bank of Montreal (callable) 4.87% due Apr. 22, 2020-(2015)	89,986	87,073
115,000	Bank of Montreal (callable) 6.17% due Mar. 28, 2023-(2018)	114,965	118,525
500,000	Bank of Montreal Capital Trust 6.69% due Dec. 31, 2011	526,979	513,548
250,000	Bank of Montreal Capital Trust 5.75% due Sep. 26, 2022	249,963	251,114
70,000	Bank of Montreal Capital Trust (callable) 4.63% due Dec. 31, 2049-(2015)	70,000	62,925
635,000	Bank of Montreal Capital Trust (callable) 5.47% due Dec. 31, 2049-(2014)	650,080	609,946
20,000	BC Telephone Company 12.00% due May 31, 2010	26,330	22,580
30,000	BC Telephone Company 10.65% due Jun. 19, 2021	38,448	40,569
50,000	BC Telephone Company 9.65% due Apr. 8, 2022	46,500	63,609
50,000	BCIMC Realty Corporation 4.10% due Feb. 10, 2011	49,968	49,119
50,000	BCIMC Realty Corporation 4.65% due Feb. 10, 2015	49,964	48,069
130,000	Bell Aliant Regional Communications 4.72% due Sep. 26, 2011	129,993	125,081
75,000	Bell Aliant Regional Communications 4.95% due Feb. 26, 2014	74,978	70,017
85,000	Bell Aliant Regional Communications 5.41% due Sep. 26, 2016	84,961	78,374
75,000	Bell Aliant Regional Communications 6.17% due Feb. 26, 2037	74,929	61,117
200,000	Bell Canada 6.15% due Jun. 15, 2009	207,940	202,516
65,000	Borealis Infrastructure Trust 6.27% due May 3, 2011	67,144	68,206
90,000	Brascan Corporation 5.95% due Jun. 14, 2035	83,550	68,299
65,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	64,977	64,307
35,000	British Columbia Ferry Services Inc. 5.58% due Jan. 11, 2038	35,000	34,889
140,000	Broadway Credit Card Trust 3.85% due Mar. 17, 2009	140,000	139,441
45,000	Cameco Corporation 4.70% due Sep. 16, 2015	45,150	43,078
70,000	Canada Life Capital Trust 6.68% due Jun. 30, 2012	70,000	72,886
70,000	Canadian Credit Card Trust 4.14% due Apr. 26, 2010	70,000	69,222
50,000	Canadian Credit Card Trust 4.51% due Apr. 24, 2012	50,000	48,793
100,000	Canadian Imperial Bank of Commerce 4.95% due Sep. 2, 2010	101,332	100,478
250,000	Canadian Imperial Bank of Commerce 4.40% due Mar. 7, 2011	249,450	247,304
240,000	Canadian Imperial Bank of Commerce (callable) 4.55% due Mar. 28, 2016	239,618	236,566
92,000	Canadian Imperial Bank of Commerce 4.35% due Nov. 1, 2011	92,438	90,406
375,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	371,912	374,640
75,000	Canadian Imperial Bank of Commerce 4.95% due Jan. 23, 2014	74,778	74,474
260,000	Canadian Imperial Bank of Commerce (callable) 4.25% due Jun. 1, 2014-(2009)	263,554	259,638
90,000	Canadian Imperial Bank of Commerce (callable) 4.50% due Oct. 15, 2014-(2009)	89,908	89,925
60,000	Canadian Imperial Bank of Commerce 4.75% due Dec. 22, 2014	59,846	58,734
210,000	Canadian Imperial Bank of Commerce (callable) 3.75% due Sep. 9, 2015-(2010)	209,601	204,630
65,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	64,968	65,910
65,000	Canadian Natural Resources Ltd. 4.50% due Jan. 23, 2013	64,988	63,215
70,000	Canadian Natural Resources Ltd. 4.95% due Jun. 1, 2015	69,961	67,909
35,000	Canadian Oil Sands Ltd. 5.55% due Jun. 29, 2009	34,989	35,395

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
50,000	Canadian Pacific Railway Ltd. 4.90% due Jun. 15, 2010	49,919	49,815
50,000	Canadian Tire Corporation 5.22% due Oct. 1, 2010	49,992	50,445
50,000	Canadian Tire Corporation Ltd. 4.95% due Jun. 1, 2015	49,909	48,201
30,000	Canadian Tire Corporation Ltd. 6.32% due Feb. 24, 2034	29,984	27,500
30,000	Canadian Tire Corporation Ltd. 5.61% due Sep. 4, 2035	30,000	24,838
100,000	Canadian Utilities Ltd. 10.20% due Nov. 30, 2009	126,890	108,233
20,000	Canadian Utilities Ltd. 5.43% due Jan. 23, 2019	20,000	20,652
14,000	Canadian Utilities Ltd. 4.80% due Nov. 22, 2021	14,000	13,510
31,000	Canadian Utilities Ltd. 5.18% due Nov. 21, 2035	31,000	29,243
28,000	Canadian Utilities Ltd. 5.03% due Nov. 20, 2036	28,000	25,856
70,000	Capital Desjardins Inc. (callable) 3.89% due Mar. 17, 2014-(2009)	70,000	69,768
80,000	Capital Desjardins Inc. (callable) 6.32% due Jun. 1, 2017-(2012)	81,480	83,241
120,000	Cards II Trust 3.87% due Oct. 15, 2010	120,000	117,710
30,000	Caterpillar Financial Services Ltd. 4.60% due Jul. 14, 2009	29,943	30,103
60,000	Caterpillar Financial Services Ltd. 4.34% due Dec. 6, 2010	59,984	59,634
92,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	91,992	92,058
43,000	CCARAT Auto Loan Receivable 4.39% due Jan. 17, 2009	43,000	42,838
50,000	CDP Financial Inc. 4.55% due Oct. 14, 2009	49,996	50,353
16,000	CHIP Mortgage Trust 4.30% due Nov. 1, 2010	16,000	15,582
39,000	Citigroup Finance Canada Inc. 3.49% due Sep. 22, 2008	38,999	38,958
60,000	Citigroup Finance Canada Inc. 4.78% due Jun. 15, 2009	60,197	59,965
32,000	Citigroup Finance Canada Inc. 4.29% due Nov. 2, 2009	31,990	31,686
50,000	Citigroup Finance Canada Inc. (callable) 4.11% due Dec. 14, 2009-(2008)	49,879	49,937
30,000	Citigroup Finance Canada Inc. 5.10% due Jul. 26, 2011	29,981	29,518
50,000	Citigroup Finance Canada Inc. 4.75% due Mar. 17, 2014	49,969	47,032
26,000	Citigroup Financial Canada Inc. 4.37% due Feb. 3, 2010	25,996	25,584
75,000	Clarica Life Insurance Company (callable) 6.65% due Oct. 12, 2015-(2010)	74,752	78,194
65,000	Congress Financial Corporation Canada 4.00% due Feb. 1, 2010	64,956	63,615
200,000	Consumers Gas Company Ltd. 11.95% due Nov. 30, 2010	281,260	234,091
70,000	Consumers Gas Company Ltd. 7.60% due Oct. 29, 2026	91,570	85,206
90,000	CU Inc. 5.56% due May 26, 2028	90,000	89,450
38,000	CU Inc. 5.56% due Oct. 30, 2037	38,000	37,860
105,000	DaimlerChrysler Canada Finance Inc. 4.70% due Nov. 10, 2009	104,887	104,786
83,000	Eagle Credit Card Trust 4.44% due Mar. 17, 2011	83,000	81,435
30,000	Enbridge Gas Distribution Inc. 5.16% due Sep. 24, 2014	29,984	30,603
50,000	Enbridge Gas Distribution Inc. 6.90% due Nov. 15, 2032	62,313	57,749
50,000	Enbridge Gas Distribution Inc. 5.21% due Feb. 25, 2036	49,932	46,539
50,000	Enbridge Inc. 3.95% due Feb. 15, 2010	49,964	49,661
90,000	Enbridge Inc. 6.80% due Mar. 10, 2010	91,125	93,376
50,000	Enbridge Inc. 4.67% due Mar. 25, 2013	49,985	49,437
70,000	Enbridge Inc. 5.00% due Aug. 9, 2016	69,684	67,409
20,000	Enbridge Inc. 7.22% due Jul. 24, 2030	19,998	21,869
24,000	Enbridge Inc. 5.57% due Nov. 14, 2035	23,969	21,365
41,000	Enbridge Pipeline Inc. 4.46% due Dec. 17, 2012	40,995	40,750
26,000	Enbridge Pipeline Inc. 5.08% due Dec. 19, 2036	25,980	23,656
130,000	Enbridge Pipelines Inc. 6.35% due Nov. 17, 2023	119,675	140,713
80,000	EnCana Corporation 3.60% due Sep. 15, 2008	79,974	80,003
90,000	EnCana Corporation 5.80% due Jan. 18, 2018	89,764	90,985
55,000	Epcor Power LP 5.95% due Jun. 23, 2036	54,756	46,550
55,000	Epcor Utilities Inc. 6.60% due Nov. 1, 2011	52,888	57,622
40,000	Epcor Utilities Inc. 5.80% due Jan. 31, 2018	39,949	40,087
33,000	Epcor Utilities Inc. 5.65% due Nov. 16, 2035	32,830	29,465
45,000	ERAC Canada Finance Ltd. 5.38% due Feb. 26, 2016	44,969	43,561
25,000	Finning International Inc. 4.64% due Dec. 14, 2011	24,992	24,668
75,000	Finning International Inc. 5.16% due Sep. 3, 2013	74,995	74,440
50,000	Fortis Inc. 7.40% due Oct. 25, 2010	49,947	53,036
30,000	FortisAlberta Inc. 5.33% due Oct. 31, 2014	29,988	30,971
30,000	FortisAlberta Inc. 6.22% due Oct. 31, 2034	29,991	31,647
18,000	FortisAlberta Inc. 5.40% due Apr. 21, 2036	17,987	16,937
16,000	FortisBC Inc. 5.60% due Nov. 9, 2035	16,058	15,416
60,000	GAZ Metropolitan Inc. 6.05% due Nov. 10, 2008	63,149	60,482
53,000	GAZ Metropolitan Inc. 6.95% due Nov. 2, 2009	57,850	54,873
29,000	GAZ Metropolitan Inc. 5.45% due Jul. 12, 2021	28,903	29,762
30,000	GAZ Metropolitan Inc. 6.30% due Oct. 31, 2033	29,824	32,757
29,000	GAZ Metropolitan Inc. 5.70% due Jul. 10, 2036	28,954	29,392
120,000	General Electric Capital Canada Funding Company 3.65% due Jun. 7, 2010	119,929	117,959

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
87,000	General Electric Capital Canada Funding Company 4.40% due Feb. 7, 2011	86,911	86,156
102,000	General Electric Capital Canada Funding Company 4.75% due May 2, 2011	102,032	101,731
150,000	General Electric Capital Canada Funding Company 6.25% due Jul. 24, 2012	153,855	156,557
100,000	General Electric Capital Canada Funding Company 4.38% due Sep. 28, 2012	99,889	97,221
100,000	General Electric Capital Canada Funding Company 5.15% due Jun. 6, 2013	100,312	99,969
78,000	General Electric Capital Canada Funding Company 4.40% due Jun. 1, 2014	77,885	74,871
100,000	General Electric Capital Canada Funding Company 4.65% due Feb. 11, 2015	99,952	96,534
112,000	General Electric Capital Canada Funding Company 5.10% due Jun. 1, 2016	112,260	109,410
96,000	General Electric Capital Canada Funding Company 4.55% due Jan. 17, 2017	95,948	89,318
325,000	General Electric Capital Canada Funding Company 5.53% due Aug. 17, 2017	328,275	321,942
224,000	General Electric Capital Canada Funding Company 5.73% due Oct. 22, 2037	222,902	209,259
40,000	Genesis Trust 4.20% due Sep. 15, 2009	40,000	39,836
160,000	Genesis Trust 4.00% due Mar. 15, 2010	160,000	158,475
350,000	Genesis Trust 4.25% due Sep. 15, 2011	339,115	343,842
100,000	George Weston Ltd. 6.45% due Oct. 24, 2011	99,956	101,070
30,000	George Weston Ltd. 5.05% due Mar. 10, 2014	29,909	27,732
100,000	Glacier Credit Card Trust 4.27% due Nov. 20, 2009	100,000	99,294
55,000	Glacier Credit Card Trust 4.19% due Nov. 19, 2010	55,000	54,098
75,000	Gloucester Credit Card Trust 4.45% due Mar. 15, 2011	75,000	73,972
150,000	Golden Credit Card Trust 6.19% due Jul. 15, 2009	145,755	152,627
50,000	Golden Credit Card Trust 4.05% due Jun. 15, 2010	50,000	49,450
200,000	Great-West Lifeco Inc. 5.69% due Jun. 21, 2017	198,780	184,496
100,000	Great-West Lifeco Inc. 6.74% due Nov. 24, 2031	99,885	109,351
90,000	Great-West Lifeco Inc. 6.67% due Mar. 21, 2033	90,314	97,982
90,000	Greater Toronto Airports Authority 6.70% due Jul. 19, 2010	91,283	94,259
100,000	Greater Toronto Airports Authority 6.25% due Jan. 30, 2012	99,948	105,597
100,000	Greater Toronto Airports Authority 6.25% due Dec. 13, 2012	104,805	106,499
40,000	Greater Toronto Airports Authority 5.00% due Jun. 1, 2015	39,704	40,339
85,000	Greater Toronto Airports Authority 4.70% due Feb. 15, 2016	84,937	83,841
71,000	Greater Toronto Airports Authority 5.26% due Apr. 17, 2018	70,994	71,150
235,000	Greater Toronto Airports Authority 6.45% due Dec. 3, 2027	224,634	259,108
150,000	Greater Toronto Airports Authority 7.05% due Jun. 12, 2030	151,264	177,279
110,000	Greater Toronto Airports Authority 7.10% due Jun. 4, 2031	113,630	131,495
100,000	Greater Toronto Airports Authority 6.47% due Feb. 2, 2034	99,316	112,026
50,000	GTC Transcontinental Group Ltd. 6.05% due Jun. 1, 2009	47,900	50,798
28,000	Halifax International Airport Authority 5.50% due Jul. 19, 2041	28,000	28,504
45,000	Holcim Finance Canada 5.90% due Jun. 21, 2013	44,937	45,767
42,000	Honda Canada Finance Inc. 4.70% due Aug. 25, 2011	42,000	41,388
105,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	105,000	106,426
60,000	Household Financial Corporation Ltd. 4.20% due Apr. 13, 2009	59,998	59,873
45,000	HSBC Bank of Canada 4.49% due Apr. 27, 2009	44,995	45,093
100,000	HSBC Bank of Canada 5.31% due Oct. 12, 2010	99,988	101,230
30,000	HSBC Canada Asset Trust (callable) 5.15% due Jun. 30, 2049-(2015)	30,000	27,918
60,000	HSBC Financial Corporation Ltd. 3.50% due Dec. 1, 2008	59,919	59,859
105,000	HSBC Financial Corporation Ltd. 4.00% due May 3, 2010	105,209	103,593
120,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	118,700	119,342
125,000	HSBC Financial Corporation Ltd. 4.35% due Oct. 6, 2011	125,097	122,376
55,000	Hydro One Inc. 4.89% due Mar. 13, 2037	54,991	50,743
40,000	Industrial Alliance Capital Trust 5.71% due Dec. 31, 2013	40,000	39,718
30,000	Industrial Alliance Capital Trust (callable) 5.13% due Jun. 30, 2019-(2014)	30,076	29,411
74,000	Inter-American Development Bank 4.40% due Jan. 26, 2026	72,987	70,168
70,000	Investors Group Inc. 6.75% due May 9, 2011	76,479	73,261
60,000	Investors Group Inc. 7.45% due May 9, 2031	63,120	69,668
50,000	Investors Group Inc. 7.11% due Mar. 7, 2033	50,229	56,123
96,000	IPL Energy Inc. 6.10% due Jul. 14, 2028	82,368	92,792
45,000	John Deere Credit Inc. 5.25% due Oct. 18, 2010	44,977	45,569
150,000	John Hancock Canada Corporation 6.67% due May 31, 2011	149,520	157,917
55,000	Key Nova Scotia Funding Company 4.21% due Dec. 14, 2009	54,998	54,159
35,000	Loblaw Companies Ltd. 7.10% due May 11, 2010	36,014	35,754
50,000	Loblaw Companies Ltd. 6.50% due Jan. 19, 2011	49,986	50,494
50,000	Loblaw Companies Ltd. 5.40% due Nov. 20, 2013	49,858	47,758
34,000	Loblaw Companies Ltd. 6.00% due Mar. 3, 2014	31,416	32,996
200,000	Loblaw Companies Ltd. 7.10% due Jun. 1, 2016	208,800	198,267
100,000	Loblaw Companies Ltd. 6.65% due Nov. 8, 2027	95,070	84,829
50,000	Loblaw Companies Ltd. 6.85% due Mar. 1, 2032	53,885	42,742
30,000	Loblaw Companies Ltd. 6.15% due Jan. 29, 2035	29,930	23,209

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
60,000	Loblaw Companies Ltd. 5.90% due Jan. 18, 2036	59,915	44,657
120,000	Manitoba Telecom Services Inc. 6.15% due Jun. 10, 2014	119,585	121,999
100,000	Manufacturers Life Insurance Company (callable) 6.24% due Feb. 16, 2016-(2011)	100,450	103,686
25,000	Manulife Bank of Canada 4.19% due Dec. 9, 2010	24,959	24,772
200,000	Manulife Financial Capital Trust 6.70% due Jun. 30, 2012	198,460	208,652
65,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	64,984	64,601
100,000	Manulife Financial Delaware (callable) 4.45% due Dec. 15, 2026-(2016)	100,000	94,504
125,000	Manulife Financial Delaware (callable) 5.06% due Dec. 15, 2041-(2036)	125,000	107,291
50,000	Master Credit Card Trust 4.38% due Nov. 21, 2009	50,000	49,851
175,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	175,000	172,723
50,000	MBNA Canada Bank 4.00% due Jun. 28, 2010	49,944	49,501
30,000	Merrill Lynch Canada Finance Company 4.20% due Dec. 8, 2009	29,960	29,296
100,000	Merrill Lynch Canada Finance Company 5.80% due May 5, 2011	99,986	98,214
30,000	Merrill Lynch Canada Finance Company 5.00% due Feb. 18, 2014	29,907	28,166
30,000	Metro Inc. 4.98% due Oct. 15, 2015	29,979	27,230
65,000	Metro Inc. 5.97% due Oct. 15, 2035	64,955	52,061
52,624	Milit-Air Inc. 5.75% due Jun. 30, 2019	49,861	56,881
320,000	Molson Coors Capital Finance 5.00% due Sep. 22, 2015	319,203	307,353
50,000	National Bank of Canada 4.66% due Sep. 10, 2009	50,443	50,001
270,000	NAV Canada 6.50% due Jun. 1, 2009	293,706	276,178
46,000	NAV Canada 4.43% due Feb. 24, 2011	46,000	46,261
80,000	NAV Canada 4.71% due Feb. 24, 2016	80,000	80,168
38,000	NAV Canada 7.56% due Mar. 1, 2027	41,572	44,945
30,000	NAV Canada 7.40% due Jun. 1, 2027	33,804	37,397
36,000	NIF-T 4.37% due Feb. 23, 2009	36,000	35,863
15,000	NOVA Gas Transmission Ltd. 9.90% due Dec. 16, 2024	19,237	20,696
15,000	Nova Scotia Power Inc. 4.22% due May 17, 2010	14,998	14,924
50,000	Nova Scotia Power Inc. 5.75% due Oct. 1, 2013	49,921	52,201
100,000	Nova Scotia Power Inc. 6.95% due Aug. 25, 2033	105,394	112,503
24,000	Nova Scotia Power Inc. 5.67% due Nov. 14, 2035	23,976	22,819
70,000	Omers Realty Corporation 5.48% due Dec. 31, 2012	69,938	73,313
125,000	Ontrea Inc. 5.70% due Oct. 31, 2011	130,059	131,120
30,000	RioCan Real Estate Investment Trust 4.91% due Mar. 8, 2011	29,992	29,305
20,000	RioCan Real Estate Investment Trust 4.70% due Jun. 15, 2012	19,954	18,967
24,000	RioCan Real Estate Investment Trust 5.23% due Mar. 11, 2013	24,001	23,030
264,000	Royal Bank of Canada 5.13% due Sep. 27, 2010	263,958	267,371
49,000	Royal Bank of Canada 4.17% due Jan. 11, 2011	49,000	48,515
95,000	Royal Bank of Canada 4.92% due Jul. 6, 2011	94,991	95,620
175,000	Royal Bank of Canada 4.53% due May 7, 2012	174,993	173,340
380,000	Royal Bank of Canada 5.20% due Aug. 15, 2012	381,988	385,322
80,000	Royal Bank of Canada 5.00% due Jan. 20, 2014	79,925	80,381
75,000	Royal Bank of Canada (callable) 3.96% due Jan. 27, 2014-(2009)	74,973	75,060
150,000	Royal Bank of Canada (callable) 4.18% due Jun. 1, 2014-(2009)	150,000	149,994
138,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	137,943	137,761
100,000	Royal Bank of Canada 5.95% due Jun. 18, 2014	100,000	99,590
80,000	Royal Bank of Canada 4.71% due Dec. 22, 2014	79,987	78,844
80,000	Royal Bank of Canada (callable) 3.70% due Jun. 24, 2015-(2010)	79,978	78,614
200,000	Royal Bank of Canada (callable) 5.00% due Jun. 6, 2018-(2013)	199,938	198,351
160,000	Royal Bank of Canada (callable) 5.45% due Nov. 4, 2018-(2013)	160,000	161,639
550,000	Royal Bank of Canada Capital Trust 4.87% due Dec. 31, 2015	538,638	503,469
100,000	Royal Bank of Canada Capital Trust (callable) 6.82% due Jun. 30, 2049-(2018)	100,000	100,167
320,000	Royal Bank of Canada Capital Trust (callable) 7.18% due Jun. 30, 2049-(2011)	360,605	332,740
100,000	Royal Bank of Canada Capital Trust (callable) 7.29% due Jun. 30, 2049-(2010)	112,590	103,386
350,000	Royal Bank of Canada Capital Trust (callable) 5.81% due Dec. 31, 2049-(2013)	374,299	346,958
200,000	Royal Bank of Canada Sub Notes Trust (callable) 4.58% due Apr. 30, 2017-(2012)	199,964	196,185
212,000	Royal Office Finance LP 5.21% due Nov. 12, 2032	211,998	215,813
50,000	Score Trust 4.95% due Feb. 20, 2014	50,000	48,703
15,000	SNC-Lavalin Group Inc. 7.70% due Sep. 20, 2010	15,021	16,029
16,000	Summit Real Estate Investment 5.20% due Mar. 1, 2012	15,977	15,576
70,000	Sun Life Assurance Company of Canada (callable) 6.15% due Jun. 30, 2022-(2012)	71,155	72,866
220,000	Sun Life Capital Trust 6.87% due Dec. 31, 2011	221,400	229,922
60,000	Sun Life Financial Services Inc. 5.00% due Jul. 11, 2031	59,903	60,280
95,000	Sun Life Financial Services Inc. (callable) 4.80% due Nov. 23, 2035-(2015)	94,985	93,110
192,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	193,218	188,463
92,000	Sun Life Financial Services Inc. (callable) 5.40% due May 29, 2042-(2037)	91,891	84,024
125,000	Suncor Energy Inc. 5.80% due May 22, 2018	124,906	124,340

The accompanying notes are an integral part of the financial statements

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
100,000	Suncor Energy Inc.		
	5.39% due Mar. 26, 2037	99,720	87,070
57,000	Talisman Energy Inc.		
	4.44% due Jan. 27, 2011	56,995	56,295
72,000	Terasen Gas Inc.		
	5.90% due Feb. 26, 2035	72,623	73,825
20,000	Terasen Gas Inc.		
	5.55% due Sep. 25, 2036	19,997	19,520
55,000	Terasen Gas Inc.		
	6.00% due Oct. 2, 2037	54,803	57,067
35,000	Terasen Gas Inc.		
	6.05% due Feb. 15, 2038	34,976	35,852
50,000	Terasen Gas Inc.		
	5.80% due May 13, 2038	49,838	50,456
18,000	Textron Financial Canada		
	4.46% due Feb. 17, 2009	17,998	18,051
30,000	Thomson Corporation		
	4.50% due Jun. 1, 2009	29,928	29,969
50,000	Thomson Corporation		
	4.35% due Dec. 1, 2009	49,920	49,706
198,000	Thomson Corporation		
	5.20% due Dec. 1, 2014	196,923	193,663
50,000	Toronto Community Housing Corporation		
	4.88% due May 11, 2037	50,000	48,361
200,000	Toronto-Dominion Bank		
	5.14% due Nov. 19, 2012	200,000	201,848
1,225,000	Toronto-Dominion Bank		
	4.85% due Feb. 13, 2013	1,227,500	1,222,656
50,000	Toronto-Dominion Bank		
	10.05% due Aug. 4, 2014	64,390	62,545
255,000	Toronto-Dominion Bank (callable)		
	4.97% due Oct. 30, 2014-(2015)	251,263	235,988
125,000	Toronto-Dominion Bank (callable)		
	4.32% due Jan. 18, 2016-(2011)	125,000	123,274
93,000	Toronto-Dominion Bank (callable)		
	4.87% due Oct. 28, 2016-(2011)	93,000	92,566
475,000	Toronto-Dominion Bank (callable)		
	5.38% due Nov. 1, 2017-(2012)	475,000	480,225
140,000	Toronto-Dominion Bank (callable)		
	5.69% due Jun. 3, 2018-(2013)	147,415	143,032
75,000	Toronto-Dominion Bank (callable)		
	5.48% due Apr. 2, 2020-(2015)	75,000	74,924
50,000	Toronto-Dominion Bank		
	9.15% due May 26, 2025	62,200	66,576
300,000	Toronto-Dominion Bank (callable)		
	4.78% due Dec. 14, 2105-(2016)	300,000	268,416
325,000	Toronto-Dominion Bank (callable)		
	5.76% due Dec. 18, 2106-(2017)	325,780	307,041
400,000	Toronto-Dominion Capital Trust (callable)		
	7.60% due Dec. 31, 2049-(2009)	449,114	414,333
45,000	Toyota Credit Canada Inc.		
	5.05% due Jul. 27, 2012	44,977	45,986
20,000	Trans Quebec & Maritimes Pipelines Inc.		
	7.05% due Sep. 22, 2010	20,000	21,046
200,000	TransAlta Corporation		
	6.60% due Oct. 13, 2009	198,100	203,905
35,000	TransCanada PipeLines Ltd.		
	4.10% due Feb. 20, 2009	34,964	35,058
500,000	TransCanada PipeLines Ltd.		
	4.30% due Jan. 13, 2011	495,198	496,148
50,000	TransCanada PipeLines Ltd.		
	9.50% due May 20, 2011	59,417	56,339
100,000	TransCanada PipeLines Ltd.		
	5.65% due Jan. 15, 2014	99,764	102,733
70,000	TransCanada PipeLines Ltd.		
	4.65% due Oct. 3, 2016	69,983	66,390
30,000	TransCanada PipeLines Ltd.		
	5.10% due Jan. 11, 2017	29,955	29,179
110,000	TransCanada PipeLines Ltd.		
	9.45% due Mar. 20, 2018	132,946	140,235
50,000	TransCanada PipeLines Ltd.		
	7.90% due Apr. 15, 2027	53,700	58,776
40,000	TransCanada PipeLines Ltd.		
	6.28% due May 26, 2028	35,490	40,040
65,000	TransCanada PipeLines Ltd.		
	7.34% due Jul. 18, 2028	67,506	72,465
50,000	TransCanada PipeLines Ltd.		
	6.50% due Dec. 9, 2030	57,417	51,262
85,000	TransCanada PipeLines Ltd.		
	8.23% due Jan. 16, 2031	93,330	104,862
100,000	Union Gas Ltd.		
	7.90% due Feb. 24, 2014	111,670	114,981
30,000	Union Gas Ltd.		
	4.64% due Jun. 30, 2016	29,982	29,140
100,000	Union Gas Ltd.		
	5.35% due Apr. 27, 2018	99,870	100,096
25,000	Union Gas Ltd.		
	4.85% due Apr. 25, 2022	24,953	23,134
25,000	Union Gas Ltd.		
	8.65% due Nov. 10, 2025	29,500	33,506
50,000	Union Gas Ltd.		
	5.46% due Sep. 11, 2036	50,000	48,529
30,000	Wells Fargo Financial Canada Corporation		
	4.75% due Jun. 29, 2009	30,623	30,139
50,000	Wells Fargo Financial Canada Corporation		
	3.60% due Jun. 28, 2010	49,973	49,149
194,000	Wells Fargo Financial Canada Corporation		
	4.45% due Feb. 28, 2011	193,636	192,627
70,000	Wells Fargo Financial Canada Corporation		
	4.45% due Sep. 13, 2011	69,994	69,332
130,000	Wells Fargo Financial Canada Corporation		
	5.20% due Sep. 13, 2012	129,904	131,719
46,000	Wells Fargo Financial Canada Corporation		
	4.40% due Dec. 12, 2012	45,926	45,087
200,000	Wells Fargo Financial Canada Corporation		
	4.33% due Dec. 6, 2013	190,504	193,795
160,000	Wells Fargo Financial Canada Corporation		
	4.38% due Jun. 30, 2015	159,926	152,507
25,000	West Fraser Timber Ltd.		
	4.94% due Oct. 19, 2009	24,995	24,698
200,000	Westcoast Energy Inc.		
	7.20% due Jan. 26, 2010	227,260	208,096
50,000	Westcoast Energy Inc.		
	7.15% due Mar. 20, 2031	50,325	58,080
		33,807,496	33,414,230
	TOTAL BONDS AND DEBENTURES	124,726,655	126,128,285
SHORT-TERM NOTES – 0.5%			
600,000	Royal Bank of Canada Term Deposit		
	2.95% due Jul. 2, 2008	600,000	600,048
	TOTAL INVESTMENT PORTFOLIO	125,326,655	126,728,333
	OTHER ASSETS, LESS LIABILITIES – 0.8%		988,798
	TOTAL NET ASSETS – 100.0%		127,717,131

Scotia Canadian Bond Index Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Bond Index Fund (the "Fund") is to provide a high level of regular interest income and modest capital gains by tracking the performance of the generally recognized Canadian bond index, currently the DEX Universe Bond Index. The investment portfolio is comprised primarily of bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations and money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $2,052,738 (approximately 1.6% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	2,675,803	25,133,502	32,997,344	29,436,125	35,885,510	126,128,284

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	48.9	48.3
AA	24.4	24.1
A	24.6	24.2
BBB	2.1	2.1
Total	100.0	98.7

Scotia Canadian Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$233,137,894	$226,964,543
Cash	695,946	584,853
Accrued investment income	600,293	603,167
Receivable for securities sold	2,526,237	–
Subscriptions receivable	162,585	65,917
	237,122,955	228,218,480
LIABILITIES		
Distributions payable	–	693
Redemptions payable	133,135	107,615
Accrued expenses	178,865	171,232
	312,000	279,540
Net assets	$236,810,955	$227,938,940
NET ASSETS PER CLASS		
Class A Units	$208,738,743	$202,357,942
Class I Units	$ 28,072,212	$ 25,580,998
UNITS OUTSTANDING		
Class A Units	8,532,997	8,695,253
Class I Units	1,156,166	1,112,634
NET ASSETS PER UNIT		
Class A Units	$ 24.46	$ 23.27
Class I Units	$ 24.28	$ 22.99

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,883,494	$ 2,186,473
Interest	1,032,648	987,823
Capital gains distributions received	3,717	2,390
Securities lending	53,944	51,868
Foreign withholding taxes	(2,321)	(1,519)
	2,971,482	3,227,035
EXPENSES		
Management fees (note 4)	801,307	811,114
Audit fees	7,675	8,097
Independent Review Committee fees	598	364
Custodian fees	8,513	8,485
Filing fees	9,548	9,066
Legal fees	2,592	3,333
Unitholder reporting	20,979	16,373
Unitholder administration, service fees and GST	166,409	197,235
	1,017,621	1,054,067
Absorbed expenses	(23,453)	(1,362)
	994,168	1,052,705
Net investment income (loss)	1,977,314	2,174,330
Net realized gain (loss) on investments sold	1,944,095	6,630,142
Net realized gain (loss) on foreign exchange	(7,459)	(639)
Transaction costs	(13,793)	(15,630)
Change in unrealized appreciation (depreciation) of investments	7,763,090	10,372,987
Net gain (loss) on investments and transaction costs	9,685,933	16,986,860
Increase (decrease) in net assets from operations	$11,663,247	$19,161,190
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$10,088,730	$16,505,543
Class I Units	$ 1,574,517	$ 2,655,647
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 1.18	$ 1.83
Class I Units	$ 1.36	$ 1.96

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$202,357,942	$201,972,702
Class I Units	25,580,998	27,435,142
	227,938,940	229,407,844
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	10,088,730	16,505,543
Class I Units	1,574,517	2,655,647
	11,663,247	19,161,190
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	15,198,888	16,783,138
Class I Units	2,626,510	5,225,800
Reinvested distributions		
Class A Units	30	13
Payments on redemption		
Class A Units	(18,906,847)	(29,653,235)
Class I Units	(1,709,813)	(3,850,701)
	(2,791,232)	(11,494,985)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	6,380,801	3,635,459
Class I Units	2,491,214	4,030,746
	8,872,015	7,666,205
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	208,738,743	205,608,161
Class I Units	28,072,212	31,465,888
	$236,810,955	$237,074,049

The accompanying notes are an integral part of the financial statements

Scotia Canadian Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
CANADIAN EQUITIES – 98.4%			
Energy – 32.2%			
13,500	Addax Petroleum Corporation	475,109	663,660
23,043	Advantage Energy Income Fund	392,392	303,015
8,800	AltaGas Income Trust	249,406	225,368
32,200	ARC Energy Trust	858,562	1,084,496
12,456	Baytex Energy Trust	236,781	433,344
17,400	Birchcliff Energy Ltd.	254,776	267,786
13,800	Bonavista Energy Trust	527,303	516,810
4,700	Calfrac Well Services Ltd.	168,853	151,011
53,507	Cameco Corporation	424,800	2,338,791
82,756	Canadian Natural Resources Ltd.	1,262,137	8,345,115
73,476	Canadian Oil Sands Trust	2,193,663	4,018,402
4,600	CHC Helicopter Corporation Class A	35,602	144,394
16,314	Compton Petroleum Corporation	56,772	211,266
26,900	Connacher Oil & Gas Ltd.	138,766	115,401
19,400	Crescent Point Energy Trust	437,522	782,014
9,100	Crew Energy Inc.	169,669	168,077
9,799	Daylight Resources Trust	129,189	118,470
25,000	Denison Mines Corporation	244,403	222,750
7,800	Duvernay Oil Corporation	235,619	485,004
57,354	Enbridge Inc.	1,063,786	2,525,297
114,896	EnCana Corporation	2,550,532	10,650,859
8,800	Enerflex Systems Income Fund	123,942	123,640
25,230	Enerplus Resources Fund	1,430,421	1,188,333
20,200	Ensign Resource Service Group Inc.	121,883	448,238
9,400	Fairborne Energy Ltd. Trust	141,741	122,764
37,866	First Calgary Petroleums Ltd.	198,601	85,956
4,700	Flint Energy Services Ltd.	126,883	115,808
21,700	Fort Chicago Energy Partners LP	251,025	235,445
7,500	Freehold Royalty Trust Fund	158,808	179,775
8,500	Galleon Energy Inc.	156,625	175,100
22,475	Harvest Energy Trust	743,898	551,087
7,025	Highpine Oil & Gas Ltd.	137,349	93,854
38,712	Husky Energy Inc.	382,715	1,870,177
41,800	Imperial Oil Ltd.	734,035	2,332,858
33,700	Inter Pipeline Fund LP	330,364	338,011
2,543	InterOil Corporation	69,690	74,662
25,800	Iteration Energy Ltd.	227,036	212,850
10,000	Keyera Facilities Income Fund	206,555	221,500
8,400	Mullen Group Income Fund	252,230	189,672
12,400	NAL Oil & Gas Trust	234,801	209,064
80,740	Nexen Inc.	854,531	3,265,933
6,800	Niko Resources Ltd.	220,124	663,612
10,900	Nuvista Energy Ltd.	161,620	190,859
36,000	Oilexco Inc.	284,041	700,200
30,200	Opti Canada Inc.	412,393	697,620
11,437	Paramount Energy Trust	172,915	114,713
6,300	Paramount Resources Ltd.	42,880	130,662
11,000	Pason Systems Inc.	125,272	180,840
19,500	Pembina Pipeline Income Fund	322,733	349,245
39,131	Pengrowth Energy Trust	864,546	802,186
58,004	Penn West Energy Trust	2,303,810	1,993,597
73,924	Petro-Canada	1,241,701	4,152,311
10,700	Petrobank Energy & Resources Ltd.	164,631	566,672
13,300	Peyto Energy Trust	346,110	267,995
18,800	Precision Drilling Trust	697,636	516,812
7,600	Proex Energy Ltd.	124,185	174,496
13,700	Progress Energy Trust	214,079	199,335
40,500	Provident Energy Trust	516,949	471,420
9,100	Savanna Energy Services Corporation	197,351	213,850
9,300	Shawcor Ltd. Class A	129,676	334,800
142,012	Suncor Energy Inc.	1,691,958	8,391,489
6,700	Synenco Energy Inc. Class A	92,986	60,099
155,360	Talisman Energy Inc.	1,107,558	3,508,029
89,683	TransCanada Corporation	2,109,327	3,529,026
20,300	Trican Well Service Ltd.	116,237	513,590
13,200	Trinidad Energy Services Income Trust	227,200	188,628
17,100	Tristar Oil & Gas Ltd.	254,203	352,431
26,800	UEX Corporation	133,686	119,528
76,125	Uranium One Inc.	1,036,016	363,878
73,400	UTS Energy Corporation	220,616	436,730
10,600	Vermilion Energy Trust	329,414	469,050
		34,850,628	76,459,760
Materials – 19.9%			
21,700	Agnico-Eagle Mines Ltd.	421,229	1,647,464
24,380	Agrium Inc.	610,468	2,671,560
12,700	Alamos Gold Inc.	127,681	78,105
12,400	Anvil Mining Ltd.	208,638	119,040
18,500	Aurelian Resources Inc.	162,560	104,340
133,363	Barrick Gold Corporation	3,946,716	6,062,682
11,913	Canfor Corporation	108,450	90,896
7,700	Cascades Inc.	61,895	51,359
3,300	CCL Industries Inc. Class B	41,070	97,251
10,300	Centerra Gold Inc.	86,904	49,131
115,000	Eastern Platinum Ltd.	255,261	312,800
56,300	Eldorado Gold Corporation	130,869	489,247
93,100	Equinox Minerals Ltd.	205,323	413,364
20,800	European Goldfields Ltd.	116,506	98,800
10,453	First Quantum Minerals Ltd.	344,398	734,846
14,267	FNX Mining Company Inc.	254,979	343,835
18,500	Fording Canadian Coal Trust	816,914	1,794,500
10,000	Fronteer Development Group Inc.	144,672	51,100
15,400	Gammon Lake Resources Inc.	149,921	167,398
22,100	Gerdau AmeriSteel Corporation	205,603	435,370
14,600	Gold Eagle Mines Ltd.	116,857	130,232
108,576	Goldcorp Inc.	1,387,201	4,956,494
39,100	Golden Star Resources Ltd.	211,825	106,352
8,700	Harry Winston Diamond Corporation	105,007	252,996
42,600	High River Gold Mines Ltd.	120,085	65,604
19,800	Hudbay Minerals Inc.	256,202	280,566
43,132	IAMGOLD Corporation	360,736	263,105
6,840	Inmet Mining Corporation	117,838	461,700
39,800	Ivanhoe Mines Ltd.	205,733	438,994
10,100	Jaguar Mining Inc.	126,738	99,485
94,541	Kinross Gold Corporation	891,995	2,234,949
4,800	Labrador Iron Ore Royalty Income Fund	128,821	267,360
53,306	Lundin Mining Corporation	649,652	326,233
3,600	Major Drilling Group International Inc.	150,972	180,000
11,700	Mercator Minerals Ltd.	120,198	142,038
14,700	Methanex Corporation	204,367	419,391
18,337	Norbord Inc.	142,119	100,120
43,700	Northgate Minerals Corporation	164,756	121,923
13,492	Nova Chemicals Corporation	385,076	338,649
16,500	NovaGold Resources Inc.	176,335	125,400
11,400	Pan American Silver Corporation	95,697	399,684
47,317	Potash Corporation of Saskatchewan Inc.	1,066,727	11,118,076
7,729	Quadra Mining Ltd.	143,598	163,932
28,700	Red Back Mining Inc.	208,781	246,246
45,259	Sherritt International Corporation	463,454	694,273
27,400	Shore Gold Inc.	219,440	73,158
9,100	Silver Standard Resources Inc.	226,472	264,628
33,844	Silver Wheaton Corporation	487,714	499,199
26,600	Silvercorp Metals Inc.	180,259	159,600
23,400	Sino-Forest Corporation Class A	188,811	417,690
10,600	Tanzanian Royalty Exploration Corporation	90,294	46,746
67,624	Teck Cominco Ltd. Class B	863,273	3,309,519
19,000	Thompson Creek Metals Company Inc.	226,892	376,580
12,700	TimberWest Forest Corporation	180,238	174,625

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
CANADIAN EQUITIES (cont'd)			
Materials (cont'd)			
7,100	Timminco Ltd.	116,036	194,185
4,813	West Fraser Timber Ltd.	178,595	159,118
102,663	Yamana Gold Inc.	1,085,556	1,727,818
		20,444,407	47,149,756
Industrials – 5.0%			
9,300	Ace Aviation Holdings Inc. Class B	316,230	147,405
6,200	Aecon Group Inc.	128,920	99,944
8,800	BFI Canada Income Fund	242,387	203,808
225,760	Bombardier Inc. Class B	2,770,378	1,654,821
42,200	CAE Inc.	288,331	486,144
74,198	Canadian National Railway Company	1,384,390	3,634,218
23,300	Canadian Pacific Railway Ltd.	440,947	1,570,653
27,800	Finning International Inc.	269,441	708,622
15,500	Jazz Air Income Fund	121,999	87,575
8,200	Martinrea International Inc.	141,872	49,856
5,900	Newalta Income Fund	163,468	117,174
9,900	Russel Metals Inc.	104,829	298,980
23,300	SNC-Lavalin Group Inc.	187,643	1,283,364
7,950	Stantec Inc.	206,000	208,211
14,200	Superior Plus Income Fund	297,910	163,868
10,100	Toromont Industries Ltd.	86,939	275,629
4,500	Transat A.T. Inc. Class B	95,250	90,675
10,000	Transcontinental Inc. Class A	105,946	156,500
11,983	Transforce Inc.	219,887	81,005
18,900	Westjet Airlines Ltd.	221,834	237,195
8,604	Westshore Terminals Income Fund	109,662	170,101
4,600	*YBM Magnex International Inc.	64,407	–
		7,968,670	11,725,748
Consumer Discretionary – 3.5%			
30,037	Aeroplan Income Fund	530,843	510,929
8,200	Astral Media Inc. Class A	155,927	262,482
12,460	Canadian Tire Corporation Ltd. Class A	344,011	658,885
14,417	Canwest Global Communications Corporation	229,886	39,647
6,800	Cineplex Galaxy Income Fund	122,159	99,960
3,900	Cogeco Cable Inc.	138,245	143,910
8,100	Consumers' Waterheater Income Fund	126,415	96,714
10,900	Corus Entertainment Inc. Class B	220,266	197,835
4,500	Dorel Industries Inc. Class B	135,578	131,625
6,900	Forzani Group Ltd. Class A	115,904	102,189
15,748	Gildan Activewear Inc.	185,857	408,976
12,700	Great Canadian Gaming Corporation	269,604	115,316
7,700	Linamar Corporation	132,690	96,250
14,480	Magna International Inc. Class A	1,178,110	878,646
7,100	North West Company Fund Trust	123,054	117,221
6,700	Quebecor Inc. Class B	243,619	188,940
9,300	Reitmans' (Canada) Ltd. Class A	177,199	139,686
17,390	Rona Inc.	254,111	213,028
5,500	Sears Canada Inc.	123,954	126,500
54,450	Shaw Communications Inc. Class B	799,983	1,130,927
30,040	Thomson Reuters Corporation	1,368,374	984,110
29,300	Tim Hortons Inc.	887,441	854,974
5,800	Torstar Corporation Class B	100,540	70,702
77,300	Yellow Pages Income Fund	1,260,270	683,332
		9,224,040	8,252,784
Consumer Staples – 2.2%			
20,300	Alimentation Couche-Tard Inc. Class B	91,277	276,689
4,300	Empire Company Ltd. Class A	103,578	187,695
8,200	George Weston Ltd.	500,231	384,990
23,500	Jean Coutu Group Inc. Class A	293,671	193,170
16,500	Loblaw Companies Ltd.	713,407	501,765
11,900	Maple Leaf Foods Inc.	143,333	130,067
15,600	Metro Inc. Class A	240,379	378,144

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
CANADIAN EQUITIES (cont'd)			
Consumer Staples (cont'd)			
9,600	Rothmans Inc.	125,562	260,160
20,396	Saputo Inc.	335,603	591,076
31,900	Saskatchewan Wheat Pool Inc.	261,944	445,962
33,700	Shoppers Drug Mart Corporation	965,555	1,883,156
		3,774,540	5,232,874
Health Care – 0.3%			
22,200	Biovail Corporation	1,076,792	217,782
8,200	Cardiome Pharma Corporation	120,304	72,898
13,100	CML Healthcare Income Fund	186,870	186,675
19,212	MDS Inc.	384,441	317,959
		1,768,407	795,314
Financials – 24.6%			
12,700	AGF Management Ltd. Class B	270,556	278,892
78,260	Bank of Montreal	2,760,993	3,318,224
151,200	Bank of Nova Scotia, The	4,251,683	7,056,504
6,200	Boardwalk Real Estate Investment Trust	125,387	235,166
76,046	Brookfield Asset Management Inc. Class A	679,498	2,517,123
31,435	Brookfield Properties Corporation	406,055	570,545
9,500	Calloway Real Estate Investment Trust	221,462	184,870
8,900	Canadian Apartment Properties Real Estate Investment Trust	128,349	154,148
59,060	Canadian Imperial Bank of Commerce	2,804,126	3,302,635
9,500	Canadian Real Estate Investment Trust	208,239	277,210
10,900	Canadian Western Bank	119,693	269,775
14,800	Chartwell Seniors Housing Real Estate Investment	204,348	134,532
18,200	CI Financial Income Fund	209,933	400,400
4,400	Cominar Real Estate Investment Trust	109,054	95,568
6,200	Davis + Henderson Income Fund	119,434	96,596
10,200	Dundee Corporation Class A	191,964	125,460
1,597	Dundee Real Estate Investment Trust	56,601	49,842
7,300	Dundee Wealth Management Inc.	118,938	95,119
9,800	Extendicare Real Estate Investment Trust	136,132	86,338
2,600	Fairfax Financial Holdings Ltd.	644,906	645,060
5,100	FirstService Corporation	104,608	74,460
7,850	GMP Capital Trust Units	179,151	124,815
35,672	Great-West Lifeco Inc.	585,008	1,039,482
22,200	H&R Real Estate Investment Trust	469,949	397,380
5,400	Home Capital Group Inc.	165,181	213,300
16,336	IGM Financial Inc.	338,513	689,706
12,400	Industrial Alliance Insurance and Financial Services	254,277	424,700
5,892	ING Canada Inc.	314,383	209,284
10,900	Innvest Real Estate Investment Trust	129,569	103,877
9,200	Kingsway Financial Services Inc.	109,702	81,144
3,900	Laurentian Bank of Canada	92,371	163,566
229,242	Manulife Financial Corporation	5,037,955	8,117,459
23,867	National Bank of Canada	571,566	1,204,329
3,500	Northbridge Financial Corporation	85,347	113,785
14,900	Onex Corporation	267,995	445,808
49,500	Power Corporation of Canada	718,517	1,532,025
34,833	Power Financial Corporation	479,133	1,154,017
7,900	Primaris Retail Real Estate Investment Trust	125,234	143,938
33,800	RioCan Real Estate Investment Trust	724,007	669,240
205,430	Royal Bank of Canada	4,897,587	9,342,956
85,780	Sun Life Financial Services of Canada Inc.	2,604,659	3,581,315
12,700	TMX Group Inc.	363,674	533,654
123,091	Toronto-Dominion Bank	5,137,469	7,886,440
		37,523,206	58,140,687
Information Technology – 4.7%			
28,760	Celestica Inc.	1,733,189	246,761
44,913	CGI Group Inc. Class A	592,744	456,316
5,900	Macdonald Dettwiler & Associates Ltd.	175,220	223,079
76,973	Nortel Networks Corporation	25,827,914	642,725
8,800	Open Text Corporation	209,412	287,144

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
CANADIAN EQUITIES (cont'd)			
Information Technology (cont'd)			
75,400	Research in Motion Ltd.	2,090,574	9,024,626
20,500	Teranet Income Fund	207,684	178,145
		30,836,737	11,058,796
Telecommunication Services – 4.5%			
123,022	BCE Inc.	4,097,306	4,373,432
19,279	Bell Aliant Regional Communications	685,677	560,633
10,600	Manitoba Telecom Services Inc.	322,869	424,106
83,130	Rogers Communications Inc. Class B	1,367,019	3,288,623
48,827	Telus Corporation	1,577,915	2,079,054
		8,050,786	10,725,848
Utilities – 1.5%			
13,800	Algonquin Power Income Fund	128,319	105,294
6,000	Atco Ltd. Class I	107,774	311,880
19,500	Canadian Hydro Developers Inc.	123,265	104,130
8,800	Canadian Utilities Ltd. Class A	225,074	387,376
18,600	Emera Inc.	296,366	429,102
16,100	Energy Savings Income Fund	307,446	226,849
5,400	Epcor Power LP	183,173	121,014
25,000	Fortis Inc.	391,376	678,750
8,800	Northland Power Income Fund	120,952	113,168
31,120	TransAlta Corporation	630,926	1,118,764
		2,514,671	3,596,327
	TOTAL INVESTMENT PORTFOLIO	156,956,092	233,137,894
	OTHER ASSETS, LESS LIABILITIES – 1.6%		3,673,061
	TOTAL NET ASSETS – 100.0%		236,810,955

* This security is not actively traded

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Canadian Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Canadian Index Fund (the "Fund") is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index. It invests primarily in the stocks that are included in the index.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $23,313,789 (approximately 9.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$56,029,289	$63,516,227
Cash	183,936	159,546
Accrued investment income	64,233	65,647
Subscriptions receivable	42,111	10,201
	56,319,569	63,751,621
LIABILITIES		
Payable for securities purchased	–	35,759
Distributions payable	2,970	20,910
Redemptions payable	16,525	19,692
Accrued expenses	36,758	41,264
	56,253	117,625
Net assets	$56,263,316	$63,633,996
NET ASSETS PER CLASS		
Class A Units	$42,258,882	$48,043,872
Class I Units	$14,004,434	$15,590,124
UNITS OUTSTANDING		
Class A Units	3,533,080	3,630,187
Class I Units	1,161,415	1,173,133
NET ASSETS PER UNIT		
Class A Units	$ 11.96	$ 13.23
Class I Units	$ 12.06	$ 13.29

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 636,394	$ 993,992
Interest	(141)	4,762
Securities lending	151	226
Foreign withholding taxes	(96,689)	(104,540)
	539,715	894,440
EXPENSES		
Management fees (note 4)	177,527	233,450
Audit fees	6,713	6,977
Independent Review Committee fees	381	251
Custodian fees	3,200	5,433
Filing fees	8,458	7,658
Legal fees	2,028	2,723
Unitholder reporting	14,891	11,926
Unitholder administration, service fees and GST	103,598	126,661
	316,796	395,079
Absorbed expenses	(114,097)	(101,068)
	202,699	294,011
Net investment income (loss)	337,016	600,429
Net realized gain (loss) on investments sold	(236,514)	(637,901)
Net realized gain (loss) on foreign exchange	(3,691)	(15,838)
Transaction costs	(396)	(839)
Change in unrealized appreciation (depreciation) of investments	(6,068,927)	(945,844)
Net gain (loss) on investments and transaction costs	(6,309,528)	(1,600,422)
Increase (decrease) in net assets from operations	$(5,972,512)	$ (999,993)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(4,543,810)	$ (818,986)
Class I Units	$(1,428,702)	$ (181,007)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (1.28)	$ (0.21)
Class I Units	$ (1.22)	$ (0.18)

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$48,043,872	$57,817,457
Class I Units	15,590,124	14,317,337
	63,633,996	72,134,794
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(4,543,810)	(818,986)
Class I Units	(1,428,702)	(181,007)
	(5,972,512)	(999,993)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class A Units	(14,751)	(17,470)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	3,268,556	4,860,674
Class I Units	821,682	2,776,317
Payments on redemption		
Class A Units	(4,494,985)	(6,292,167)
Class I Units	(978,670)	(1,947,622)
	(1,383,417)	(602,798)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(5,784,990)	(2,267,949)
Class I Units	(1,585,690)	647,688
	(7,370,680)	(1,620,261)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	42,258,882	55,549,508
Class I Units	14,004,434	14,965,025
	$56,263,316	$70,514,533

The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 99.6%			
Energy – 16.1%			
2,206	Anadarko Petroleum Corporation	68,828	168,382
1,676	Apache Corporation	45,697	237,480
1,622	Baker Hughes Inc.	81,647	144,253
1,400	BJ Services Company	42,136	45,506
500	Cabot Oil & Gas Corporation	33,275	34,488
1,000	Cameron International Corporation	44,730	56,451
2,400	Chesapeake Energy Corporation	89,641	161,454
10,190	Chevron Corporation	640,219	1,029,195
7,628	ConocoPhillips	363,551	732,700
800	Consol Energy Inc.	39,898	91,587
2,242	Devon Energy Corporation	113,817	274,462
3,492	El Paso Corporation	158,841	77,355
700	Ensco International Inc.	39,676	57,493
1,120	EOG Resources Inc.	36,383	149,868
26,054	Exxon Mobil Corporation	1,546,984	2,334,122
4,284	Halliburton Company	124,985	231,745
1,368	Hess Corporation	67,294	176,049
3,390	Marathon Oil Corporation	84,536	179,234
400	Massey Energy Company	36,373	38,205
1,000	Murphy Oil Corporation	66,730	99,940
1,200	Nabors Industries Ltd.	48,787	60,166
2,000	National Oilwell Varco Inc.	87,338	180,971
1,420	Noble Corporation	51,963	93,861
800	Noble Energy Inc.	56,396	81,894
4,132	Occidental Petroleum Corporation	89,617	378,353
1,300	Peabody Energy Corporation	58,296	116,690
600	Range Resources Corporation	29,932	40,058
516	Rowan Companies Inc.	17,263	24,582
5,924	Schlumberger Ltd.	299,840	648,535
900	Smith International Inc.	38,936	76,159
1,600	Southwestern Energy Company	74,567	77,626
3,085	Spectra Energy Corporation	102,780	90,396
592	Sunoco Inc.	26,274	24,532
600	Tesoro Petroleum Corporation	30,237	12,080
1,564	Transocean Inc.	114,746	242,745
2,800	Valero Energy Corporation	108,690	117,484
3,200	Weatherford International Ltd.	57,266	161,650
3,145	Williams Companies Inc.	149,127	129,201
2,507	XTO Energy Inc.	75,147	174,993
		5,242,443	9,051,945
Materials – 3.8%			
1,006	Air Products and Chemicals Inc.	60,759	101,288
3,996	Alcoa Inc.	173,468	145,170
559	Allegheny Technologies Inc.	49,136	33,728
267	Ashlands Inc.	15,040	13,115
608	Ball Corporation	8,580	29,566
794	Bemis Company Inc.	19,762	18,140
4,436	Dow Chemical Company	214,636	157,761
4,627	DuPont (E.I.) de Nemours & Company	335,437	202,259
341	Eastman Chemical Company	22,179	23,924
1,032	Ecolab Inc.	35,180	45,154
1,894	Freeport-McMoran Copper & Gold Inc. Class B	96,799	226,374
923	Hercules Inc.	37,170	15,919
530	International Flavors & Fragrances Inc.	27,939	21,076
1,858	International Paper Company	114,661	44,096
1,188	MeadWestvaco Corporation	47,078	28,873
2,622	Monsanto Company	51,808	337,293
2,280	Newmont Mining Corporation	80,185	121,175
1,368	Nucor Corporation	57,159	104,181
350	Pactiv Corporation	6,709	7,568
810	PPG Industries Inc.	63,681	47,337
1,580	Praxair Inc.	50,341	151,685
509	Rohm & Haas Company	27,070	24,108
790	Sealed Air Corporation	30,622	15,317
500	Sigma-Aldrich Corporation	20,037	27,466
EQUITIES (cont'd)			
Materials (cont'd)			
300	Titanium Metals Corporation	10,319	4,274
573	United States Steel Corporation	40,359	107,980
463	Vulcan Materials Company	33,655	28,229
1,164	Weyerhaeuser Company	99,936	60,605
		1,829,705	2,143,661
Industrials – 11.1%			
3,612	3M Company	246,153	256,066
1,603	Allied Waste Industries Inc.	30,795	20,616
551	Avery Dennison Corporation	36,766	24,659
3,793	Boeing Company	268,507	254,197
1,369	Burlington Northern Santa Fe Corporation	63,834	139,261
800	C.H. Robinson Worldwide Inc.	48,062	44,745
3,028	Caterpillar Inc.	116,649	227,666
920	Cintas Corporation	47,831	24,640
1,006	Cooper Industries Ltd. Class A	40,458	40,456
1,886	CSX Corporation	56,914	120,471
972	Cummins Inc.	29,220	64,834
1,234	Danaher Corporation	53,518	97,223
2,156	Deere & Company	62,115	158,607
1,145	Dover Corporation	63,960	56,427
812	Eaton Corporation	52,236	70,369
3,872	Emerson Electric Company	162,415	195,083
767	Equifax Inc.	34,552	26,300
1,000	Expeditors International of Washington Inc.	50,840	43,856
1,450	FedEx Corporation	93,272	116,282
452	Fluor Corporation	32,696	85,662
1,896	General Dynamics Corporation	86,397	162,646
49,428	General Electric Company	2,696,303	1,339,938
591	Goodrich Corporation	28,381	28,607
3,572	Honeywell International Inc.	248,033	182,955
2,042	Illinois Tool Works Inc.	95,021	98,946
1,516	Ingersoll Rand Company Class A	51,736	57,873
776	ITT Corporation	32,047	50,074
500	Jacobs Engineering Group Inc.	40,440	41,087
500	L-3 Communications Holdings Inc.	50,244	46,339
1,677	Lockheed Martin Corporation	98,963	168,574
600	Manitowoc Company Inc.	23,335	19,876
1,916	Masco Corporation	70,350	30,719
520	Monster Worldwide Inc.	47,902	10,930
2,005	Norfolk Southern Corporation	68,774	128,010
1,698	Northrop Grumman Corporation	109,294	115,857
1,684	Paccar Inc.	21,625	71,843
502	Pall Corporation	15,670	20,270
775	Parker Hannifin Corporation	29,327	56,286
1,090	Pitney Bowes Inc.	75,641	37,831
700	Precision Castparts Corporation	89,169	68,801
918	R.R. Donnelley & Sons Company	37,985	27,798
2,249	Raytheon Company	136,154	128,886
1,000	Robert Half International Inc.	47,740	24,437
753	Rockwell Automation Inc.	52,479	33,538
753	Rockwell Collins Inc.	26,871	36,779
167	Ryder System Inc.	5,741	11,708
3,214	Southwest Airlines Company	65,590	42,712
400	Terex Corporation	29,353	20,936
1,328	Textron Inc.	63,063	64,918
2,529	Tyco International Ltd.	341,471	103,276
2,556	Union Pacific Corporation	100,051	196,479
5,000	United Parcel Service Inc. Class B	496,452	313,415
4,856	United Technologies Corporation	221,148	305,329
405	W.W. Grainger Inc.	31,768	33,751
2,304	Waste Management Inc.	108,180	88,519
		7,333,491	6,237,363
Consumer Discretionary – 8.2%			
400	Abercrombie & Fitch Company Class A	35,290	25,571
1,600	Amazon.com Inc.	89,946	119,565

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
600	Apollo Group Inc. Class A	35,097	27,084
600	AutoNation Inc.	12,105	6,119
197	AutoZone Inc.	15,368	24,299
1,368	Bed Bath & Beyond Inc.	36,902	39,206
1,627	Best Buy Company Inc.	68,717	65,578
473	Big Lots Inc.	15,426	15,042
300	Black & Decker Corporation	18,985	17,596
729	Brunswick Corporation	23,465	7,881
2,213	Carnival Corporation	127,146	74,302
3,559	CBS Corporation Class B	188,513	70,600
548	Centex Corporation	11,938	7,461
2,741	Clear Channel Communications Inc.	229,631	98,291
1,800	Coach Inc.	49,941	52,927
14,985	Comcast Corporation Class A	416,160	289,922
1,500	D.R. Horton Inc.	68,946	16,568
934	Darden Restaurants Inc.	15,419	30,426
50	Dillard's Inc. Class A	1,661	582
3,700	Directv Group Inc.	96,105	96,831
400	E.W. Scripps Company Class A	22,077	16,910
1,710	Eastman Kodak Company	162,571	25,097
551	Family Dollar Stores Inc.	23,882	11,206
10,982	Ford Motor Company	352,255	53,875
675	Fortune Brands Inc.	34,237	42,910
700	Gamestop Corporation Class A	41,094	28,800
1,244	Gannett Company Inc.	116,661	27,494
2,457	GAP Inc.	122,980	41,698
2,768	General Motors Corporation	263,858	32,268
682	Genuine Parts Company	27,283	27,600
1,433	Goodyear Tire & Rubber Company	60,603	26,044
1,296	H&R Block Inc.	20,192	28,273
1,406	Harley-Davidson Inc.	84,336	51,939
541	Hasbro Inc.	16,365	19,709
8,041	Home Depot Inc.	472,856	191,575
1,000	IAC/InterActive Corporation	41,271	19,664
1,340	International Game Technology Inc.	29,181	34,085
3,129	Interpublic Group of Companies Inc.	162,352	27,413
1,025	J.C. Penney Company Inc.	46,542	37,927
2,886	Johnson Controls Inc.	40,671	84,241
316	Jones Apparel Group Inc.	16,280	4,422
242	KB Home	19,826	4,174
1,701	Kohl's Corporation	115,468	69,272
677	Leggett & Platt Inc.	21,092	11,579
700	Lennar Corporation Class A	50,332	8,746
1,988	Limited Brands Inc.	53,183	34,124
318	Liz Claiborne Inc.	9,217	4,586
7,092	Lowe's Companies Inc.	144,261	149,653
2,394	Macy's Inc.	72,079	47,270
1,468	Marriott International Inc. Class A	36,607	39,242
2,156	Mattel Inc.	60,877	37,645
5,531	McDonald's Corporation	281,373	316,802
1,796	McGraw-Hill Companies Inc.	69,992	73,379
376	Meredith Corporation	17,698	10,849
548	New York Times Company Class A	27,792	8,602
1,556	Newell Rubbermaid Inc.	63,287	26,613
11,200	News Corporation Class A	255,048	171,457
1,840	Nike Inc. Class B	78,719	111,865
956	Nordstrom Inc.	17,536	29,543
1,173	Office Depot Inc.	29,591	13,088
450	OfficeMax Inc.	23,446	6,379
1,762	Omnicom Group Inc.	98,327	80,400
300	Polo Ralph Lauren Corporation	29,509	19,187
876	Pulte Homes Inc.	8,693	8,586
778	RadioShack Corporation	30,854	9,736
396	Sears Holding Corporation	68,987	29,750
394	Sherwin-Williams Company	22,320	18,452
169	Snap-On Inc.	7,710	8,963
534	Stanley Works	32,559	24,410
3,608	Staples Inc.	80,563	87,321
3,960	Starbucks Corporation	64,347	63,571
900	Starwood Hotels & Resorts Worldwide Inc.	52,102	36,781
3,939	Target Corporation	172,929	186,326
496	Tiffany & Company	24,061	20,574
17,509	Time Warner Inc.	1,263,289	263,397
1,968	TJX Companies Inc.	33,467	63,125
398	V.F. Corporation	19,976	28,893
3,259	Viacom Inc. Class B	273,851	101,411
9,094	Walt Disney Company	387,594	289,008
45	Washington Post Class B	35,758	26,920
490	Wendy's International Inc.	7,715	13,603
317	Whirlpool Corporation	27,857	19,958
996	Wyndham Worldwide Corporation	58,195	18,163
2,236	Yum! Brands Inc.	33,066	79,977
		7,995,461	4,592,381
Consumer Staples – 10.7%			
10,452	Altria Group Inc.	97,192	218,743
3,436	Anheuser-Busch Companies Inc.	178,916	217,656
3,151	Archer-Daniels-Midland Company	62,736	108,237
2,114	Avon Products Inc.	59,320	77,661
310	Brown-Forman Corporation Class B	13,654	23,864
1,153	Campbell Soup Company	61,774	39,300
670	Clorox Company	43,309	35,670
9,915	Coca-Cola Company	820,905	524,423
1,068	Coca-Cola Enterprises Inc.	41,637	18,844
2,598	Colgate-Palmolive Company	187,577	182,882
2,457	ConAgra Foods Inc.	86,385	48,314
900	Constellation Brands Inc. Class A	32,969	18,046
2,019	Costco Wholesale Corporation	115,413	144,431
7,080	CVS Caremark Corporation	198,043	285,369
700	Dean Foods Company	31,719	13,986
600	Estee Lauder Companies Inc. Class A	24,170	28,406
1,654	General Mills Inc.	102,344	102,379
1,458	H.J. Heinz Company	89,726	71,064
860	Hershey Company, The	32,371	28,743
1,415	Kellogg Company	65,995	69,214
1,928	Kimberly Clark Corporation	159,003	117,530
7,433	Kraft Foods Inc. Class A	269,621	215,677
3,492	Kroger Company	117,158	102,713
700	Lorillard Inc.	55,101	49,283
600	McCormick & Company Inc.	22,861	21,791
514	Molson Coors Brewing Company Class B	19,907	28,481
900	Pepsi Bottling Group Inc.	32,192	25,600
7,893	PepsiCo Inc.	433,204	511,823
10,452	Philip Morris International Inc.	217,970	525,750
15,101	Procter & Gamble Company	920,370	935,178
700	Reynolds American Inc.	40,146	33,305
2,074	Safeway Inc.	151,530	60,391
3,550	Sara Lee Corporation	94,728	44,280
1,230	Super Valu Inc.	39,556	38,688
2,782	Sysco Corporation	77,972	77,999
1,500	Tyson Foods Inc. Class A	32,705	22,856
665	UST Inc.	25,694	36,991
1,115	W.M. Wrigley Jr. Company	51,230	88,314
11,499	Wal-Mart Stores Inc.	766,669	657,813
4,686	Walgreen Company	196,166	155,134
600	Whole Foods Markets Inc.	54,284	14,332
		6,124,222	6,021,161
Health Care – 11.9%			
7,490	Abbott Laboratories	455,629	403,800
2,552	Aetna Inc.	31,018	105,465
1,616	Allergan Inc.	76,541	85,721
906	AmerisourceBergen Corporation	44,392	36,933
5,183	Amgen Inc.	340,234	249,294

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
648	Applera Corporation – Applied Biosystems Group	46,377	22,047
494	Bard (C.R.) Inc.	16,124	44,307
500	Barr Laboratories Inc.	38,478	22,968
2,990	Baxter International Inc.	157,543	194,741
1,173	Becton, Dickinson and Company	53,061	97,227
1,411	Biogen Idec Inc.	110,011	80,430
6,797	Boston Scientific Corporation	142,630	85,059
9,787	Bristol-Myers Squibb Company	807,334	204,825
1,803	Cardinal Health Inc.	131,225	94,702
2,000	Celgene Corporation	117,318	130,282
1,320	CIGNA Corporation	52,526	47,590
900	Coventry Health Care Inc.	56,489	27,923
2,529	Covidien Ltd.	116,356	123,524
5,007	Eli Lilly & Company	511,548	235,365
1,100	Express Scripts Inc.	22,125	70,365
1,380	Forest Laboratories Inc.	73,542	48,895
1,416	Genzyme Corporation	128,246	104,010
4,400	Gilead Sciences Inc.	108,087	237,616
1,000	HCP Inc.	34,541	32,382
649	Hospira Inc.	25,381	26,543
784	Humana Inc.	31,909	31,784
944	IMS Health Inc.	32,831	22,433
180	Intuitive Surgical Inc.	52,502	48,796
13,921	Johnson & Johnson	895,987	912,506
996	King Pharmaceuticals Inc.	42,743	10,636
500	Laboratory Corporation of America Holdings	27,978	35,508
1,447	McKesson Corporation	86,932	82,408
2,658	Medco Health Solutions Inc.	47,010	127,873
5,714	Medtronic Inc.	341,703	301,059
10,854	Merck & Company Inc.	964,943	416,785
250	Millipore Corporation	16,425	17,300
1,000	Mylan Laboratories Inc.	33,304	12,310
700	Patterson Dental Company	33,119	20,775
329	PerkinElmer Inc.	12,006	9,345
33,228	Pfizer Inc.	1,563,970	591,366
600	Quest Diagnostics Inc.	27,536	29,618
7,967	Schering-Plough Corporation	463,503	159,829
1,676	St. Jude Medical Inc.	38,439	69,810
1,060	Stryker Corporation	42,059	67,968
3,795	Tenet Healthcare Corporation	119,436	21,481
2,220	Thermo Electron Corporation	94,833	126,114
6,076	UnitedHealth Group Inc.	149,316	162,669
600	Varian Medical Systems Inc.	33,987	31,723
408	Waters Corporation	25,158	26,840
214	Watson Pharmaceuticals Inc.	14,554	5,921
2,632	WellPoint Inc.	120,134	127,669
6,540	Wyeth	509,074	319,633
1,268	Zimmer Holdings Inc.	53,785	88,004
		9,571,932	6,690,177
Financials – 13.9%			
1,731	ACE Ltd.	105,616	97,117
2,354	AFLAC Inc.	91,130	150,605
2,762	Allstate Corporation	132,924	128,200
410	AMBAC Financial Group Inc.	35,107	560
800	American Capital Strategies Ltd.	38,921	19,394
5,614	American Express Company	346,322	215,458
13,185	American International Group Inc.	1,158,039	355,010
1,122	Ameriprise Financial Inc.	46,708	46,540
1,408	Aon Corporation	70,999	65,913
245	Apartment Investment & Management Company	12,986	8,511
400	Assurant Inc.	26,017	26,909
300	Avalonbay Communities Inc.	46,593	27,280
22,034	Bank of America Corporation	1,002,795	534,170
5,448	Bank of New York Company Inc.	287,800	210,088
2,914	BB&T Corporation	144,807	67,613
500	Boston Properties Inc.	56,051	45,962
1,743	Capital One Financial Corporation	142,930	67,499
800	CB Richard Ellis Group Inc.	27,763	15,657
4,718	Charles Schwab Corporation	171,725	98,836
253	Chicago Mercantile Exchange Holdings Inc.	147,429	98,871
1,998	Chubb Corporation	94,505	99,870
573	Cincinnati Financial Corporation	30,487	14,844
1,100	CIT Group Inc.	62,705	7,606
26,854	Citigroup Inc.	1,429,706	457,385
710	Comerica Inc.	54,422	18,559
2,906	Countrywide Financial Corporation	38,974	12,596
600	Developers Diversified Realty Corporation	44,097	21,204
2,600	Discover Financial Services	75,772	34,870
2,500	E-Trade Financial Coporation	43,509	7,955
1,448	Equity Residential	65,775	56,473
4,915	Fannie Mae	440,000	97,800
300	Federated Investors Inc. Class B	11,783	10,531
2,729	Fifth Third Bancorp	183,808	28,334
700	First Horizon National Corporation	42,683	5,290
745	Franklin Resources Inc.	59,037	69,638
3,153	Freddie Mac	235,759	52,609
1,100	General Growth Properties Inc.	62,203	39,244
2,000	Genworth Financial Inc. Class A	80,235	36,206
2,000	Goldman Sachs Group Inc.	236,115	355,781
1,578	Hartford Financial Services Group Inc.	118,977	103,710
2,500	Host Hotels & Resorts Inc.	78,225	34,779
2,400	Hudson City Bancorp Inc.	38,748	40,829
1,300	Huntington Bancshares Inc.	42,929	7,650
300	IntercontinentalExchange Inc.	45,081	34,877
934	Janus Capital Group Inc.	38,739	25,177
16,953	JPMorgan Chase & Company	982,808	593,231
1,976	KeyCorp	75,541	22,068
1,000	Kimco Realty Corporation	47,372	35,176
600	Legg Mason Inc.	85,669	26,625
2,968	Lehman Brothers Holdings Inc.	127,586	59,482
700	Leucadia National Corporation	32,179	33,426
1,298	Lincoln National Corporation	82,616	59,864
1,770	Loews Corporation	47,956	84,647
300	M&T Bank Corporation	38,756	21,583
2,500	Marsh & McLennan Companies Inc.	156,090	67,619
1,467	Marshall & Ilsley Corporation	67,667	22,892
519	MBIA Inc.	28,969	2,324
4,770	Merrill Lynch & Company Inc.	322,039	154,023
3,503	Metlife Inc.	187,330	188,139
223	MGIC Investment Corporation	15,354	1,374
1,012	Moody's Corporation	12,473	35,454
5,201	Morgan Stanley	351,831	191,068
2,798	National City Corporation	115,487	13,583
858	Northern Trust Corporation	68,101	60,004
1,300	NYSE Euronext	114,191	67,089
770	Plum Creek Timber Company Inc.	37,431	33,518
1,779	PNC Financial Services Group Inc.	143,633	103,439
1,200	Principal Financial Group Inc.	50,202	51,317
3,620	Progressive Corporation	44,542	69,004
1,400	ProLogis	72,996	77,476
2,300	Prudential Financial Inc.	111,093	139,573
500	Public Storage Inc.	43,959	41,194
3,391	Regions Financial Corporation	135,499	37,663
528	Safeco Corporation	24,552	36,161
1,000	Simon Property Group Inc.	64,311	91,679
2,204	SLM Corporation	60,102	43,496
2,205	Sovereign Bancorp Inc.	62,202	16,529
2,100	State Street Corporation	148,503	136,817
1,819	SunTrust Banks Inc.	167,849	67,028
1,156	T. Rowe Price Group Inc.	29,793	65,965
408	Torchmark Corporation	17,209	24,401
2,978	Travelers Companies Inc.	177,148	131,604
8,713	U.S. Bancorp	300,796	247,041

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
2,011	UnumProvident Corporation	103,285	41,841
700	Vornado Realty Trust	71,353	62,826
10,316	Wachovia Corporation	535,273	163,080
4,548	Washington Mutual Inc.	252,660	22,868
16,298	Wells Fargo & Company	507,735	393,450
964	XL Capital Ltd. Class A	127,051	20,067
422	Zions Bancorporation	37,096	13,553
		14,033,224	7,825,271
Information Technology – 16.5%			
2,464	Adobe Systems Inc.	58,870	98,988
2,600	Advanced Micro Devices Inc.	81,612	15,407
600	Affiliated Computer Services Inc.	42,425	32,733
1,785	Agilent Technologies Inc.	158,820	64,574
700	Akamai Technologies Inc.	36,738	24,838
1,440	Altera Corporation	89,085	30,401
1,373	Analog Devices Inc.	91,042	44,460
4,336	Apple Computer Inc.	153,908	740,466
6,520	Applied Materials Inc.	217,430	126,810
1,048	Autodesk Inc.	12,490	36,138
2,796	Automatic Data Processing Inc.	185,970	119,484
1,162	BMC Software Inc.	60,359	42,570
2,248	Broadcom Corporation Class A	405,021	62,569
390	Ciena Corporation	77,505	9,204
29,281	Cisco Systems Inc.	1,491,281	694,628
1,066	Citrix Systems Inc.	59,007	31,975
1,200	Cognizant Technology Solution Corporation	54,580	39,470
1,638	Computer Associates International Inc.	109,024	38,574
812	Computer Sciences Corporation	76,641	38,741
1,320	Compuware Corporation	50,456	12,843
242	Convergys Corporation	16,330	3,668
7,725	Corning Inc.	403,787	181,604
10,103	Dell Inc.	462,597	225,452
5,800	eBay Inc.	130,130	161,668
1,600	Electronic Arts Inc.	71,602	72,503
2,594	Electronic Data Systems Corporation	217,311	65,188
10,513	EMC Corporation	538,029	157,295
900	Expedia Inc.	29,875	16,871
700	Fidelity National Information Service Inc.	33,313	26,351
700	Fiserv Inc.	32,922	31,984
1,165	Google Inc.	570,716	625,482
300	Harman International Industries Inc.	37,749	12,640
12,187	Hewlett-Packard Company	701,371	548,390
28,371	Intel Corporation	1,451,883	621,535
6,806	International Business Machines Corporation	918,207	821,240
1,600	Intuit Inc.	57,977	44,990
632	Jabil Circuit Inc.	34,022	10,571
1,391	JDS Uniphase Corporation	1,615,460	16,116
2,700	Juniper Networks Inc.	49,104	60,857
782	KLA-Tencor Corporation	50,840	32,469
427	Lexmark International Inc.	47,825	14,559
1,266	Linear Technology Corporation	103,599	41,731
3,094	LSI Logic Corporation	129,229	19,344
1,200	MEMC Electronic Materials Inc.	77,601	75,293
1,000	Microchip Technology Inc.	40,680	31,148
4,428	Micron Technology Inc.	165,109	27,006
39,624	Microsoft Corporation	1,904,883	1,111,746
475	Molex Inc.	29,973	11,825
11,805	Motorola Inc.	487,235	88,373
1,536	National Semiconductor Corporation	38,807	32,177
2,008	Network Appliance Inc.	117,836	44,359
11	Nortel Networks Corporation (US)	–	92
EQUITIES (cont'd)			
Information Technology (cont'd)			
3,005	Novell Inc.	79,812	18,052
260	Novellus Systems Inc.	20,085	5,619
2,973	NVIDIA Corporation	89,234	56,337
19,165	Oracle Corporation	471,927	410,473
1,401	Paychex Inc.	63,347	44,695
380	QLogic Corporation	32,096	5,600
7,864	QUALCOMM Incorporated	426,093	355,869
1,200	Sandisk Corporation	76,559	22,874
4,026	Sun Microsystems Inc.	450,193	44,674
4,039	Symantec Corporation	151,822	79,710
2,122	Tellabs Inc.	159,090	10,064
736	Teradata Corporation	19,332	17,340
1,472	Teradyne Inc.	119,423	16,619
6,291	Texas Instruments Inc.	390,859	180,423
672	Total System Services Inc.	18,695	15,202
2,529	Tyco Electronics Ltd.	107,135	92,391
2,720	Unisys Corporation	96,220	10,791
900	Verisign Inc.	24,437	34,697
3,843	Western Union Company	86,046	96,850
4,749	Xerox Corporation	218,965	65,581
1,592	Xilinx Inc.	120,028	40,900
6,382	Yahoo! Inc.	654,028	134,476
		17,953,692	9,298,637
Telecommunication Services – 3.3%			
2,200	American Tower Corporation Class A	95,631	94,665
29,318	AT&T Inc.	2,354,351	1,004,387
550	CenturyTel Inc.	32,655	19,958
2,319	Citizens Communications Company	54,030	26,773
740	Embarq Corporation	36,855	35,676
8,769	Qwest Communications International Inc.	299,501	34,969
13,808	Sprint Nextel Corporation	792,134	133,504
14,112	Verizon Communications Inc.	947,049	508,641
2,071	Windstream Corporation	27,011	26,044
		4,639,217	1,884,617
Utilities – 4.1%			
3,614	AES Corporation	178,051	70,659
690	Allegheny Energy Inc.	44,923	35,264
1,109	Ameren Corporation	60,998	47,754
2,110	American Electric Power Company Inc.	103,876	86,402
1,953	CentrePoint Energy Inc.	56,659	31,930
1,163	CMS Energy Corporation	56,129	17,650
1,457	Consolidated Edison Inc.	73,557	58,043
863	Constellation Energy Group Inc.	41,499	72,130
2,786	Dominion Resources Inc.	108,959	134,768
815	DTE Energy Company	44,617	35,210
6,170	Duke Energy Corporation	143,129	109,243
2,930	Dynegy Inc. Class A	231,186	25,520
1,713	Edison International	63,342	89,660
926	Entergy Corporation	39,198	113,585
3,348	Exelon Corporation	128,519	306,905
1,571	FirstEnergy Corporation	65,552	131,785
1,862	FPL Group Inc.	80,935	124,388
282	Integrys Energy Group Inc.	17,367	14,605
329	Nicor Inc.	18,017	14,291
1,685	NiSource Inc.	56,975	30,762
900	Pepco Holdings Inc.	22,795	23,508
1,903	PG & E Corporation	71,263	76,955
714	Pinnacle West Capital Corporation	38,510	22,407
1,986	PPL Corporation	51,745	105,873
1,151	Progress Energy Inc.	65,493	49,057

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Utilities (cont'd)			
2,458	Public Service Enterprise Group Inc.	65,227	115,141
800	Questar Corporation	39,376	57,889
1,367	Sempra Energy Corporation	54,413	78,535
3,682	Southern Company	140,105	130,984
1,157	TECO Energy Inc.	48,420	25,323
2,340	Xcel Energy Inc.	72,563	47,850
		2,283,398	2,284,076
	TOTAL INVESTMENT PORTFOLIO	77,006,785	56,029,289
	OTHER ASSETS, LESS LIABILITIES – 0.4%		234,027
	TOTAL NET ASSETS – 100.0%		56,263,316

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia U.S. Index Fund
(formerly Scotia American Stock Index Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia U.S. Index Fund (the "Fund") is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 Index. It invests primarily in the stocks that are included in the index.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	55,962,702	99.5
Total	55,962,702	99.5

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $5,596,270 (approximately 9.9% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $5,434,841 (approximately 9.7% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia CanAm Index Fund
(formerly Scotia CanAm Stock Index Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$81,819,370	$ 94,652,902
Cash	233,011	5,441,928
Subscriptions receivable	52,349	8,907
	82,104,730	100,103,737
LIABILITIES		
Redemptions payable	90,846	62,800
Accrued expenses	71,672	85,552
Payable for futures contracts	–	558,561
	162,518	706,913
Net assets	$81,942,212	$ 99,396,824
NET ASSETS PER CLASS		
Class A Units	$81,933,214	$ 99,386,842
Class F Units	$ 8,998	$ 9,982
UNITS OUTSTANDING		
Class A Units	10,606,563	11,573,946
Class F Units	1,160	1,160
NET ASSETS PER UNIT		
Class A Units	$ 7.72	$ 8.59
Class F Units	$ 7.75	$ 8.60

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$ 1,313,743	$ 3,335,772
Futures contracts	(13,348,825)	5,317,709
	(12,035,082)	8,653,481
EXPENSES		
Management fees (note 4)	356,980	521,749
Audit fees	8,073	8,097
Independent Review Committee fees	727	497
Custodian fees	3,609	4,288
Filing fees	8,310	7,486
Legal fees	2,928	4,050
Unitholder reporting	24,600	21,549
Unitholder administration, service fees and GST	177,225	234,827
	582,452	802,543
Absorbed expenses	(146,710)	(125,051)
	435,742	677,492
Net investment income (loss)	(12,470,824)	7,975,989
Net realized gain (loss) on foreign exchange	1,995,206	(3,163,221)
Transaction costs	(6,014)	–
Change in unrealized appreciation (depreciation) of investments	879,806	(8,421,657)
Net gain (loss) on investments and transaction costs	2,868,998	(11,584,878)
Increase (decrease) in net assets from operations	$ (9,601,826)	$ (3,608,889)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (9,600,842)	$ (3,608,889)
Class F Units	$ (984)	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.87)	$ (0.27)
Class F Units	$ (0.85)	$ –

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$ 99,386,842	$138,656,261
Class F Units	9,982	–
	99,396,824	138,656,261
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(9,600,842)	(3,608,889)
Class F Units	(984)	–
	(9,601,826)	(3,608,889)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,203,965	1,723,360
Payments on redemption		
Class A Units	(9,056,751)	(17,765,579)
	(7,852,786)	(16,042,219)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(17,453,628)	(19,651,108)
Class F Units	(984)	–
	(17,454,612)	(19,651,108)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	81,933,214	119,005,153
Class F Units	8,998	–
	$ 81,942,212	$119,005,153

The accompanying notes are an integral part of the financial statements

Scotia CanAm Index Fund
(formerly Scotia CanAm Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
TREASURY BILLS – 45.2%			
36,500,000 (US)	Government of Canada 1.48% to 2.23% due from Sep. 17, 2008 to Nov. 13, 2008	36,633,574	37,040,312
COMMERCIAL PAPER – 54.6%			
7,000,000 (US)	Business Development Bank 1.42% due Jul. 7, 2008	7,081,226	7,137,603
37,000,000 (US)	Canadian Wheat Board 1.90% to 2.02% due from Jul. 2, 2008 to Sep. 4, 2008	37,049,084	37,641,455
		44,130,310	44,779,058
	TOTAL INVESTMENT PORTFOLIO	80,763,884	81,819,370
	OTHER ASSETS, LESS LIABILITIES – 0.2%		122,842
	TOTAL NET ASSETS – 100.0%		81,942,212

Note: As at June 30, 2008, the Scotia CanAm Index Fund held 251 futures contracts to purchase the Standard and Poor's 500 Composite Stock Index ("S&P 500 Index") and held 1 futures contracts to purchase the S&P 500 Index E-Mini Futures contracts for settlement in September 2008. These futures contracts are financial agreements to purchase the S&P 500 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the S&P 500 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contract Price ($)	Market Price ($)	Contractual Market Value ($)
	S&P 500 Composite Stock Index			
251	Futures Contracts – Sep. 2008	1,351	1,280	81,918,225
1	E-Mini Futures Contracts – Sep. 2008	1,320	1,280	65,273
			TOTAL	81,983,498

With respect to the above futures contracts, $6,400,000 of the November 13, 2008 Government of Canada Treasury Bill is held on margin.

Scotia CanAm Index Fund
(formerly Scotia Canadian Stock Index Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia CanAm Index Fund (the "Fund") is long-term capital growth by tracking the performance of a generally recognized U.S. equity index. The fund currently tracks the Standard & Poor's 500 Index. It invests primarily in futures contracts that are linked to the performance of the index and in cash, Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	81,987,956	100.1
Total	81,987,956	100.1

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $8,198,796 (approximately 10.0% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1 (High)	100.0	99.9
Total	100.0	99.9

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $7,936,479 (approximately 9.7% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Nasdaq Index Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$ 9,651,271	$10,673,239
Cash	721,840	794,355
Subscriptions receivable	2,619	1,997
	10,375,730	11,469,591
LIABILITIES		
Redemptions payable	20,132	3,845
Accrued expenses	9,303	10,069
Payable for futures contracts	114,703	115,446
	144,138	129,360
Net assets	$10,231,592	$11,340,231
NET ASSETS PER CLASS		
Class A Units	$10,226,722	$11,336,389
Class F Units	$ 4,870	$ 3,842
UNITS OUTSTANDING		
Class A Units	2,406,091	2,411,705
Class F Units	1,102	788
NET ASSETS PER UNIT		
Class A Units	$ 4.25	$ 4.70
Class F Units	$ 4.42	$ 4.87

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$ 137,650	$ 318,471
Futures contracts	(1,518,701)	923,238
	(1,381,051)	1,241,709
EXPENSES		
Management fees (note 4)	40,985	49,974
Audit fees	4,458	4,201
Independent Review Committee fees	70	45
Custodian fees	584	609
Filing fees	7,545	7,414
Legal fees	1,218	1,618
Unitholder reporting	6,160	3,897
Unitholder administration, service fees and GST	35,167	37,644
	96,187	105,402
Absorbed expenses	(44,544)	(38,413)
	51,643	66,989
Net investment income (loss)	(1,432,694)	1,174,720
Net realized gain (loss) on foreign exchange	166,501	(376,841)
Transaction costs	(1,561)	–
Change in unrealized appreciation (depreciation) of investments	190,016	(734,657)
Net gain (loss) on investments and transaction costs	354,956	(1,111,498)
Increase (decrease) in net assets from operations	$(1,077,738)	$ 63,222
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(1,077,266)	$ 63,198
Class F Units	$ (472)	$ 24
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.45)	$ 0.02
Class F Units	$ (0.58)	$ 0.03

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$11,336,389	$12,930,139
Class F Units	3,842	3,827
	11,340,231	12,933,966
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(1,077,266)	63,198
Class F Units	(472)	24
	(1,077,738)	63,222
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,190,871	968,657
Class F Units	1,500	–
Payments on redemption		
Class A Units	(1,223,272)	(2,238,323)
	(30,901)	(1,269,666)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(1,109,667)	(1,206,468)
Class F Units	1,028	24
	(1,108,639)	(1,206,444)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	10,226,722	11,723,671
Class F Units	4,870	3,851
	$10,231,592	$11,727,522

The accompanying notes are an integral part of the financial statements

Scotia Nasdaq Index Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
TREASURY BILLS – 55.5%			
5,600,000	Government of Canada		
(US)	1.40% to 2.22% due from		
	Sep. 17, 2008 to Nov. 4, 2008	5,640,773	5,683,978
COMMERCIAL PAPER – 38.8%			
1,000,000	Business Development Bank		
(US)	1.42% due Jul. 7, 2008	1,011,604	1,019,658
2,000,000	Canadian Wheat Board		
(US)	2.00% due Sep. 4, 2008	2,030,841	2,032,468
900,000	Export Development Corporation		
(US)	1.98% to 2.00% due from		
	Aug. 21, 2008 to Aug. 27, 2008	890,263	915,167
		3,932,708	3,967,293
	TOTAL INVESTMENT PORTFOLIO	9,573,481	9,651,271
	OTHER ASSETS, LESS LIABILITIES – 5.7%		580,321
	TOTAL NET ASSETS – 100.0%		10,231,592

Note: As at June 30, 2008, the Scotia Nasdaq Index Fund held 53 futures contracts to purchase the Nasdaq 100 Index and held 6 futures contracts to purchase the Nasdaq 100 Index E-Mini futures contracts for settlement on September 30, 2008. These futures contracts are financial agreements to purchase the Nasdaq 100 Index at a contracted price on a specific future date. However, the Fund does not intend to purchase the Nasdaq 100 Index on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

Number of Futures Contracts	Contract Issuer	Contract Price ($)	Market Price ($)	Contractual Market Value ($)
	Nasdaq 100 Index			
34	Futures Contracts – Sep. 2008	1,965	1,845	6,397,821
19	Futures Contracts – Sep. 2008	1,964	1,845	3,575,253
53				
	Nasdaq 100 Index			
6	E-Mini Futures Contracts – Sep. 2008	1,975	1,845	225,805
6			TOTAL	10,198,879

With respect to the above futures contracts, $1,000,000 of the November 4, 2008 Government of Canada Treasury Bill is held on margin.

Scotia Nasdaq Index Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Nasdaq Index Fund (the "Fund") is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index. It invests primarily in derivatives that are linked to the performance of the Nasdaq 100 Index, and in cash and money market instruments.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	10,301,175	100.7
Total	10,301,175	100.7

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $1,030,118 (approximately 10.1% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1- High	100.0	94.3
Total	100.0	94.3

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $945,825 (approximately 9.2% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia International Index Fund
(formerly Scotia International Stock Index Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$51,583,494	$50,500,606
Cash	68,762	210
Accrued investment income	–	26,551
Subscriptions receivable	40,875	17,814
Receivable from futures contracts	2,592,202	3,727,780
Receivable from currency forward contracts	71,618	–
	54,356,951	54,272,961
LIABILITIES		
Distributions payable	–	123
Redemptions payable	37,847	7,262
Accrued expenses	32,682	37,825
Payable for currency forward contracts	–	1,534,250
	70,529	1,579,460
Net assets	$54,286,422	$52,693,501
NET ASSETS PER CLASS		
Class A Units	$31,142,172	$34,427,707
Class F Units	$ 7,553	$ 8,207
Class I Units	$23,136,697	$18,257,587
UNITS OUTSTANDING		
Class A Units	3,923,769	3,983,278
Class F Units	955	955
Class I Units	2,806,420	2,043,678
NET ASSETS PER UNIT		
Class A Units	$ 7.94	$ 8.64
Class F Units	$ 7.91	$ 8.59
Class I Units	$ 8.24	$ 8.93

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$ 904,400	$ 1,221,870
Futures contracts	(9,728,822)	3,979,106
Securities lending	1,272	196
	(8,823,150)	5,201,172
EXPENSES		
Management fees (note 4)	128,883	153,124
Audit fees	6,587	6,220
Independent Review Committee fees	231	140
Custodian fees	3,566	2,826
Filing fees	8,362	8,150
Legal fees	1,637	2,127
Unitholder reporting	10,672	7,613
Unitholder administration, service fees and GST	69,128	79,473
	229,066	259,673
Absorbed expenses	(30,988)	(20,030)
	198,078	239,643
Net investment income (loss)	(9,021,228)	4,961,529
Net realized gain (loss) on investments sold	3,300,989	(4,833,583)
Transaction costs	(26,529)	–
Change in unrealized appreciation (depreciation) of investments	–	(378)
Change in unrealized appreciation (depreciation) of currency futures	1,671,075	67,642
Net gain (loss) on investments and transaction costs	4,945,535	(4,766,319)
Increase (decrease) in net assets from operations	$(4,075,693)	$ 195,210
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(2,787,167)	$ (30,401)
Class F Units	$ (654)	$ (189)
Class I Units	$(1,287,872)	$ 225,800
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.71)	$ (0.01)
Class F Units	$ (0.68)	$ (0.21)
Class I Units	$ (0.49)	$ 0.12

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$34,427,707	$35,127,095
Class F Units	8,207	–
Class I Units	18,257,587	19,537,758
	52,693,501	54,664,853
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(2,787,167)	(30,401)
Class F Units	(654)	(189)
Class I Units	(1,287,872)	225,800
	(4,075,693)	195,210
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,393,187	7,547,529
Class F Units	–	9,007
Class I Units	7,462,051	3,696,816
Reinvested distributions		
Class A Units	(2)	–
Payments on redemption		
Class A Units	(2,891,553)	(4,453,895)
Class I Units	(1,295,069)	(5,264,505)
	5,668,614	1,534,952
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,285,535)	3,063,233
Class F Units	(654)	8,818
Class I Units	4,879,110	(1,341,889)
	1,592,921	1,730,162
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	31,142,172	38,190,328
Class F Units	7,553	8,818
Class I Units	23,136,697	18,195,869
	$54,286,422	$56,395,015

The accompanying notes are an integral part of the financial statements

Scotia International Index Fund
(formerly Scotia International Stock Index Fund) (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
SHORT-TERM NOTES – 95.0 %			
Treasury Bills – 30.1%			
16,400,000	Government of Canada 2.28% to 2.65% due from Jul. 24, 2008 to Nov. 13, 2008	16,267,917	16,343,350
Bankers' Acceptances – 15.4%			
5,000,000	Bank of Montreal 3.12% due Jul. 31, 2008	4,966,050	4,987,269
3,400,000	Toronto-Dominion Bank 3.03% to 3.32% due from Jul. 15, 2008 to Dec. 5, 2008	3,372,960	3,380,954
		8,339,010	8,368,223
Bearers' Deposit Notes – 18.3%			
2,700,000	Caisse Centrale Desjardins 3.09% to 3.13% due from Aug. 5, 2008 to Aug. 21, 2008	2,678,444	2,691,309
2,000,000	HSBC Bank of Canada 3.09% due Aug. 28, 2008	1,984,880	1,990,256
5,300,000	Royal Bank of Canada 3.10% to 3.15% due from Aug. 20, 2008 to Sep. 10, 2008	5,259,473	5,272,987
		9,922,797	9,954,552
Commercial Paper – 31.2%			
2,500,000	Canada Master Trust 3.35% to 3.45% due from Aug. 11, 2008 to Sep. 23, 2008	2,484,820	2,488,572
2,000,000	Caterpillar Financial Services Ltd. 3.13% due Aug. 8, 2008	1,984,340	1,993,532
2,200,000	General Electric Capital Canada Funding Company 3.15% due Aug. 15, 2008	2,182,114	2,191,528
400,000	Honda Canada Finance Inc. 3.20% due Sep. 18, 2008	396,836	397,253
2,400,000	Plaza Trust 3.25% to 3.40% due from Jul. 7, 2008 to Sep. 22, 2008	2,382,044	2,384,446
1,500,000	PSP Capital Inc. 3.16% due Sep. 24, 2008	1,488,405	1,489,049
2,500,000	Ridge Trust 3.45% due from Jul. 16, 2008 to Sep. 16, 2008	2,485,821	2,494,149
900,000	Storm King Funding Trust 3.40% due Sep. 16, 2008	893,178	893,594
2,600,000	Total Capital 3.20% to 3.23% due from Jul. 24, 2008 to Sep. 19, 2008	2,580,315	2,585,246
		16,877,873	16,917,369
	TOTAL INVESTMENT PORTFOLIO	51,407,597	51,583,494
	OTHER ASSETS, LESS LIABILITIES – 5.0%		2,702,928
	TOTAL NET ASSETS – 100.0%		54,286,422

Scotia International Index Fund
(formerly Scotia International Stock Index Fund) (Unaudited – Continued)

INDEX FUTURES CONTRACTS

Number of Contracts	Issuer/Country Index	Settlement Date	Contract Price ($)	Contractual Market Value in Canadian ($)
	EUROPE			
156	DJ EURO STOXX 50	Sep. 2008	3,361	8,420,177
	FRANCE			
37	CAC 40 Index	Sep. 2008	4,450	2,643,876
	GERMANY			
8	DAX Index	Sep. 2008	6,453	2,072,620
	ITALY			
7	S&P/MIB Index	Sep. 2008	29,710	1,669,932
	NETHERLANDS			
9	Amsterdam Index	Jul. 2008	426	1,231,720
	SPAIN			
10	IBEX 35 Plus Index	Jul. 2008	11,949	1,918,932
	SWEDEN			
117	OMX Index	Jul. 2008	863	1,709,020
	SWITZERLAND			
57	Swiss Market Index	Sep. 2008	6,983	3,974,071
	UNITED KINGDOM			
115	FTSE 100 Index	Sep. 2008	5,625	13,141,188
	AUSTRALIA			
34	SPI 200	Sep. 2008	5,191	4,313,611
	HONG KONG			
8	Hang Seng Index	Jul. 2008	22,120	1,157,349
	JAPAN			
95	Topix Index	Sep. 2008	1,319	12,034,868
			TOTAL	54,287,364

CURRENCY FUTURES CONTRACTS

Number of Contracts		Settlement Date	Contract Price ($)	Contractual Market Value in Canadian ($)
41	Australian $ against US$	Sep. 2008	95	3,968,322
92	British Pound against US$	Sep. 2008	198	11,623,270
95	Japanese Yen against US$	Sep. 2008	95	11,470,604
31	Swiss Franc against US$	Sep. 2008	98	3,886,896
107	Euro against US$	Sep. 2008	1.6	21,402,946
(542)	Canadian $ against US$	Sep. 2008	98	(54,228,192)
			TOTAL	(1,876,154)

The above index futures and currency futures contracts are financial agreements to purchase the indexes and foreign currencies at a contracted price on a specific future date. However, the Fund does not intend to purchase the indexes and foreign currencies on settlement. Rather, it intends to close out each index futures contract and currency futures contract before settlement by entering into equal, but offsetting index futures contracts and currency futures contracts.

With respect to the above futures contracts, $3,200,000 of the October 30, 2008 Government of Canada Treasury Bill is held on margin.

Scotia International Index Fund
(formerly Scotia International Stock Index Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia International Index Fund (the "Fund") is long-term capital growth by tracking the performance of generally recognized indices of established international stock markets. It invests primarily in futures contracts that are linked to the performance of the indices, and in cash and money market instruments.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Swedish Krona	1,709,020	3.1
British Pounds	1,517,918	2.8
Hong Kong Dollar	1,157,349	2.1
Japanese Yen	564,264	1.0
Australian Dollar	345,289	0.6
Swiss Franc	87,175	0.2
U.S. Dollar	(1,876,154)	(3.5)
Euro Dollar	(3,445,688)	(6.3)
Total	59,173	0.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $5,917 (approximately 0.0% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

C. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments. The Fund has minimal sensitivity to changes in interest rates due to the short-term nature of instruments held.

D. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's main credit risk is concentrated in debt securities. All investment transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Debt Securities (%)	Percentage of Total Net Assets (%)
R1- High	64.5	61.3
R1-Middle	25.1	23.8
R1-Low	0.8	0.7
Unrated	9.6	9.2
Total	100.0	95.0

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $4,900,432 (approximately 9.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Selected Income & Modest Growth Portfolio
(formerly Scotia Selected Income & Modest Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$270,831,551	$249,914,809
Cash	1,890,689	718,155
Receivable for securities sold	–	428,456
Subscriptions receivable	510,062	556,919
	273,232,302	251,618,339
LIABILITIES		
Payable for securities purchased	459,847	317,801
Distributions payable	–	7,883
Redemptions payable	130,510	262,037
Accrued expenses	403,406	384,575
	993,763	972,296
Net assets	$272,238,539	$250,646,043
NET ASSETS PER CLASS		
Class A Units	$272,238,438	$250,646,043
Advisor Class Units	$ 101	$ –
UNITS OUTSTANDING		
Class A Units	24,196,941	22,381,437
Advisor Class Units	9	–
NET ASSETS PER UNIT		
Class A Units	$ 11.25	$ 11.20
Advisor Class Units	$ 11.25	$ –

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 165,930	$ 141,126
Interest	4,831,480	4,495,753
Capital gains distributions received	–	2,454,036
	4,997,410	7,090,915
EXPENSES		
Management fees (note 4)	2,094,275	1,895,768
Audit fees	6,487	6,490
Independent Review Committee fees	301	140
Filing fees	10,882	8,796
Legal fees	1,821	2,130
Unitholder reporting	12,658	7,668
Unitholder administration, service fees and GST	163,128	169,775
	2,289,552	2,090,767
Absorbed expenses	(3,693)	(8,274)
	2,285,859	2,082,493
Net investment income (loss)	2,711,551	5,008,422
Net realized gain (loss) on investments sold	(117,452)	2,740,242
Change in unrealized appreciation (depreciation) of investments	(1,379,564)	(8,382,979)
Net gain (loss) on investments and transaction costs	(1,497,016)	(5,642,737)
Increase (decrease) in net assets from operations	$ 1,214,535	$ (634,315)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ 1,214,534	$ (634,315)
Advisor Class Units+	$ 1	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ 0.05	$ (0.03)
Advisor Class Units+	$ 0.11	$ –

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$250,646,043	$224,037,906
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	1,214,534	(634,315)
Advisor Class Units+	1	–
	1,214,535	(634,315)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	42,164,630	47,106,231
Advisor Class Units+	100	–
Reinvested distributions		
Class A Units	(940)	617
Payments on redemption		
Class A Units	(21,785,829)	(26,201,457)
	20,377,961	20,905,391
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	21,592,395	20,271,076
Advisor Class Units+	101	–
	21,592,496	20,271,076
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	272,238,438	244,308,982
Advisor Class Units+	101	–
	$272,238,539	$244,308,982

+ Start date February 4, 2008

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 69.2%			
10,556,755	Scotia Canadian Income Fund Class I	137,035,255	133,931,441
5,073,809	Scotia Mortgage Income Fund Class I	54,772,328	54,473,934
		191,807,583	188,405,375
CANADIAN EQUITIES – 15.4%			
380,094	Scotia Canadian Dividend Fund Class I	12,875,014	15,326,059
274,489	Scotia Canadian Growth Fund Class I	16,701,071	19,883,645
279,765	Scotia Canadian Small Cap Fund Class I	7,538,301	6,686,158
		37,114,386	41,895,862
FOREIGN EQUITIES – 14.9%			
599,599	Scotia Global Growth Fund Class I	21,242,871	19,264,215
914,433	Scotia Global Small Cap Fund Class I	9,482,767	8,285,678
960,724	Scotia International Value Fund Class I	8,532,465	6,435,698
879,088	Scotia U.S. Value Fund Class I	7,453,859	6,544,723
		46,711,962	40,530,314
	TOTAL INVESTMENT PORTFOLIO	275,633,931	270,831,551
	OTHER ASSETS, LESS LIABILITIES – 0.5%		1,406,988
	TOTAL NET ASSETS – 100.0%		272,238,539

The accompanying notes are an integral part of the financial statements

Scotia Selected Income & Modest Growth Portfolio
(formerly Scotia Selected Income & Modest Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Selected Income & Modest Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Selected Balanced Income & Growth Portfolio
(formerly Scotia Selected Balanced Income & Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$851,828,452	$746,516,175
Cash	5,048,271	1,384,988
Receivable for securities sold	–	715,179
Subscriptions receivable	1,739,892	1,300,506
	858,616,615	749,916,848
LIABILITIES		
Payable for securities purchased	1,592,849	1,138,261
Distributions payable	–	32,331
Redemptions payable	406,853	304,601
Accrued expenses	1,372,852	1,216,465
	3,372,554	2,691,658
Net assets	$855,244,061	$747,225,190
NET ASSETS PER CLASS		
Class A Units	$855,193,477	$747,225,190
Advisor Class Units	$ 1,443	$ –
Class F Units	$ 49,141	$ –
UNITS OUTSTANDING		
Class A Units	69,598,877	60,304,274
Advisor Class Units	118	–
Class F Units	3,996	–
NET ASSETS PER UNIT		
Class A Units	$ 12.29	$ 12.39
Advisor Class Units	$ 12.27	$ –
Class F Units	$ 12.30	$ –

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 1,027,243	$ 915,045
Interest	9,553,806	7,819,564
Capital gains distributions received	–	12,264,230
	10,581,049	20,998,839
EXPENSES		
Management fees (note 4)	7,010,163	5,490,577
Audit fees	7,585	7,507
Independent Review Committee fees	838	335
Filing fees	24,093	16,644
Legal fees	3,219	3,180
Unitholder reporting	27,743	15,424
Unitholder administration, service fees and GST	479,104	445,713
	7,552,745	5,979,380
Absorbed expenses	(15,502)	(7,983)
	7,537,243	5,971,397
Net investment income (loss)	3,043,806	15,027,442
Net realized gain (loss) on investments sold	(234,908)	15,986,803
Change in unrealized appreciation (depreciation) of investments	(8,924,465)	(25,686,504)
Net gain (loss) on investments and transaction costs	(9,159,373)	(9,699,701)
Increase (decrease) in net assets from operations	$ (6,115,567)	$ 5,327,741
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (6,113,610)	$ 5,327,741
Advisor Class Units+	$ (24)	$ –
Class F Units++	$ (1,933)	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.09)	$ 0.11
Advisor Class Units+	$ (0.46)	$ –
Class F Units++	$ (0.48)	$ –

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$747,225,190	$559,504,153
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(6,113,610)	5,327,741
Advisor Class Units+	(24)	–
Class F Units++	(1,933)	–
	(6,115,567)	5,327,741
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	162,979,920	154,172,546
Advisor Class Units+	1,467	–
Class F Units++	51,074	–
Reinvested distributions		
Class A Units	(197)	3,309
Payments on redemption		
Class A Units	(48,897,826)	(40,918,198)
	114,134,438	113,257,657
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	107,968,287	118,585,398
Advisor Class Units+	1,443	–
Class F Units++	49,141	–
	108,018,871	118,585,398
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	855,193,477	678,089,551
Advisor Class Units+	1,443	–
Class F Units++	49,141	–
	$855,244,061	$678,089,551

+ Start date February 4, 2008
++ Start date June 5, 2008

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 44.3%			
23,149,706	Scotia Canadian Income Fund Class I	299,406,751	293,695,690
7,945,610	Scotia Mortgage Income Fund Class I	85,536,908	85,306,456
		384,943,659	379,002,146
CANADIAN EQUITIES – 29.6%			
2,378,872	Scotia Canadian Dividend Fund Class I	83,893,436	95,920,413
1,594,449	Scotia Canadian Growth Fund Class I	102,977,775	115,499,959
1,752,367	Scotia Canadian Small Cap Fund Class I	46,916,802	41,880,180
		233,788,013	253,300,552
FOREIGN EQUITIES – 25.7%			
2,814,970	Scotia Global Growth Fund Class I	99,313,421	90,440,756
2,767,238	Scotia Global Opportunities Fund Class I	26,694,297	25,134,819
4,293,611	Scotia Global Small Cap Fund Class I	44,093,702	38,904,412
4,811,951	Scotia International Value Fund Class I	42,390,978	32,234,299
4,407,241	Scotia U.S. Value Fund Class I	37,147,488	32,811,468
		249,639,886	219,525,754
	TOTAL INVESTMENT PORTFOLIO	868,371,558	851,828,452
	OTHER ASSETS, LESS LIABILITIES – 0.4%		3,415,609
	TOTAL NET ASSETS – 100.0%		855,244,061

The accompanying notes are an integral part of the financial statements

Scotia Selected Balanced Income & Growth Portfolio
(formerly Scotia Selected Balanced Income & Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Selected Balanced Income & Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Selected Moderate Growth Portfolio
(formerly Scotia Selected Conservative Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$573,460,931	$490,762,376
Cash	3,553,585	1,340,686
Receivable for securities sold	–	555,114
Subscriptions receivable	987,877	1,050,811
	578,002,393	493,708,987
LIABILITIES		
Payable for securities purchased	1,175,203	1,260,927
Distributions payable	–	55,007
Redemptions payable	186,351	190,405
Accrued expenses	1,012,621	864,496
	2,374,175	2,370,835
Net assets	$575,628,218	$491,338,152
NET ASSETS PER CLASS		
Class A Units	$575,628,117	$491,338,152
Advisor Class Units	$ 101	$ –
UNITS OUTSTANDING		
Class A Units	43,235,654	36,139,314
Advisor Class Units	8	–
NET ASSETS PER UNIT		
Class A Units	$ 13.31	$ 13.60
Advisor Class Units	$ 13.24	$ –

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 906,947	$ 716,372
Interest	3,603,558	3,219,100
Capital gains distributions received	–	9,610,668
	4,510,505	13,546,140
EXPENSES		
Management fees (note 4)	5,088,769	3,910,459
Audit fees	8,359	6,490
Independent Review Committee fees	549	204
Filing fees	19,530	13,377
Legal fees	2,467	2,474
Unitholder reporting	19,627	10,234
Unitholder administration, service fees and GST	343,439	309,047
	5,482,740	4,252,285
Absorbed expenses	(11,176)	(4,807)
	5,471,564	4,247,478
Net investment income (loss)	(961,059)	9,298,662
Net realized gain (loss) on investments sold	(192,611)	9,069,286
Change in unrealized appreciation (depreciation) of investments	(8,977,415)	(11,267,924)
Net gain (loss) on investments and transaction costs	(9,170,026)	(2,198,638)
Increase (decrease) in net assets from operations	$(10,131,085)	$ 7,100,024
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(10,131,086)	$ 7,100,024
Advisor Class Units+	$ 1	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.25)	$ 0.26
Advisor Class Units+	$ 0.13	$ –

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$491,338,152	$360,401,371
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(10,131,086)	7,100,024
Advisor Class Units+	1	–
	(10,131,085)	7,100,024
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	124,009,297	105,852,654
Advisor Class Units+	100	–
Reinvested distributions		
Class A Units	(487)	483
Payments on redemption		
Class A Units	(29,587,759)	(25,229,197)
	94,421,151	80,623,940
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	84,289,965	87,723,964
Advisor Class Units+	101	–
	84,290,066	87,723,964
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	575,628,117	448,125,335
Advisor Class Units+	101	–
	$575,628,218	$448,125,335

+ Start date February 4, 2008

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 24.5%			
11,103,443	Scotia Canadian Income Fund Class I	142,910,047	140,867,155
CANADIAN EQUITIES – 38.7%			
2,105,107	Scotia Canadian Dividend Fund Class I	77,898,584	84,881,685
1,399,606	Scotia Canadian Growth Fund Class I	95,610,963	101,385,804
1,529,450	Scotia Canadian Small Cap Fund Class I	40,584,669	36,552,629
		214,094,216	222,820,118
FOREIGN EQUITIES – 36.4%			
2,699,871	Scotia Global Growth Fund Class I	95,103,524	86,742,809
2,477,434	Scotia Global Opportunities Fund Class I	23,863,150	22,502,533
4,165,033	Scotia Global Small Cap Fund Class I	42,664,338	37,739,361
4,643,646	Scotia International Value Fund Class I	40,761,293	31,106,854
4,255,544	Scotia U.S. Value Fund Class I	35,788,735	31,682,101
		238,181,040	209,773,658
	TOTAL INVESTMENT PORTFOLIO	595,185,303	573,460,931
	OTHER ASSETS, LESS LIABILITIES – 0.4%		2,167,287
	TOTAL NET ASSETS – 100.0%		575,628,218

The accompanying notes are an integral part of the financial statements

Scotia Selected Moderate Growth Portfolio
(formerly Scotia Selected Conservative Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Selected Moderate Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Selected Aggressive Growth Portfolio
(formerly Scotia Selected Aggressive Growth Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$122,098,499	$105,828,574
Cash	1,048,286	606,271
Receivable for securities sold	–	3,171
Subscriptions receivable	159,943	329,351
	123,306,728	106,767,367
LIABILITIES		
Payable for securities purchased	240,746	188,956
Distributions payable	–	1,781
Redemptions payable	27,309	33,711
Accrued expenses	245,484	208,612
	513,539	433,060
Net assets	$122,793,189	$106,334,307
NET ASSETS PER CLASS		
Class A Units	$122,793,089	$106,334,307
Advisor Class Units	$ 100	$ –
UNITS OUTSTANDING		
Class A Units	8,844,258	7,429,882
Advisor Class Units	7	–
NET ASSETS PER UNIT		
Class A Units	$ 13.88	$ 14.31
Advisor Class Units	$ 13.81	$ –

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 225,491	$ 148,670
Interest	315,932	454,465
Capital gains distributions received	–	2,551,275
	541,423	3,154,410
EXPENSES		
Management fees (note 4)	1,202,410	959,529
Audit fees	7,479	6,255
Independent Review Committee fees	125	46
Filing fees	9,256	7,459
Legal fees	1,363	1,621
Unitholder reporting	7,716	3,943
Unitholder administration, service fees and GST	91,830	82,429
	1,320,179	1,061,282
Absorbed expenses	(1,575)	(4,331)
	1,318,604	1,056,951
Net investment income (loss)	(777,181)	2,097,459
Net realized gain (loss) on investments sold	(163,470)	3,064,153
Change in unrealized appreciation (depreciation) of investments	(2,258,285)	(3,200,743)
Net gain (loss) on investments and transaction costs	(2,421,755)	(136,590)
Increase (decrease) in net assets from operations	$(3,198,936)	$ 1,960,869
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(3,198,936)	$ 1,960,869
Advisor Class Units+	$ –	$ –
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.39)	$ 0.34
Advisor Class Units+	$ –	$ –

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$106,334,307	$ 78,127,378
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(3,198,936)	1,960,869
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	27,102,606	26,578,841
Advisor Class Units+	100	–
Reinvested distributions		
Class A Units	(418)	–
Payments on redemption		
Class A Units	(7,444,470)	(5,644,529)
	19,657,818	20,934,312
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	16,458,782	22,895,181
Advisor Class Units+	100	–
	16,458,882	22,895,181
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	122,793,089	101,022,559
Advisor Class Units+	100	–
	$122,793,189	$101,022,559

+ Start date February 4, 2008

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 9.7%			
942,639	Scotia Canadian Income Fund Class I	12,200,951	11,959,071
CANADIAN EQUITIES – 45.6%			
523,748	Scotia Canadian Dividend Fund Class I	19,924,578	21,118,471
349,448	Scotia Canadian Growth Fund Class I	23,840,519	25,313,594
399,389	Scotia Canadian Small Cap Fund Class I	10,641,524	9,545,083
		54,406,621	55,977,148
FOREIGN EQUITIES – 44.1%			
687,826	Scotia Global Growth Fund Class I	24,190,048	22,098,818
657,380	Scotia Global Opportunities Fund Class I	6,335,327	5,970,982
1,088,323	Scotia Global Small Cap Fund Class I	11,181,334	9,861,298
1,200,348	Scotia International Value Fund Class I	10,501,682	8,040,893
1,100,121	Scotia U.S. Value Fund Class I	9,211,258	8,190,289
		61,419,649	54,162,280
	TOTAL INVESTMENT PORTFOLIO	128,027,221	122,098,499
	OTHER ASSETS, LESS LIABILITIES – 0.6%		694,690
	TOTAL NET ASSETS – 100.0%		122,793,189

The accompanying notes are an integral part of the financial statements

Scotia Selected Aggressive Growth Portfolio
(formerly Scotia Selected Aggressive Growth Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Selected Aggressive Growth Portfolio (the "Portfolio") is long-term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Partners Income & Modest Growth Portfolio (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$369,532,369	$386,296,923
Cash	3,823,360	1,499,681
Receivable for securities sold	119,899	275,845
Subscriptions receivable	352,402	336,550
	373,828,030	388,408,999
LIABILITIES		
Payable for securities purchased	182,571	114,487
Distributions payable	–	27,782
Redemptions payable	158,215	334,845
Accrued expenses	641,066	667,628
	981,852	1,144,742
Net assets	$372,846,178	$387,264,257
NET ASSETS PER CLASS		
Class A Units	$372,837,459	$387,255,358
Class F Units	$ 8,719	$ 8,899
UNITS OUTSTANDING		
Class A Units	32,407,118	33,145,466
Class F Units	715	723
NET ASSETS PER UNIT		
Class A Units	$ 11.50	$ 11.68
Class F Units	$ 12.19	$ 12.32

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 143,323	$ –
Interest	6,693,875	6,525,878
	6,837,198	6,525,878
EXPENSES		
Management fees (note 4)	3,509,139	3,524,890
Audit fees	7,511	6,490
Independent Review Committee fees	422	228
Filing fees	14,628	13,136
Legal fees	2,134	2,599
Unitholder reporting	16,031	11,091
Unitholder administration, service fees and GST	253,380	297,932
	3,803,245	3,856,366
Absorbed expenses	(6,147)	(10,023)
	3,797,098	3,846,343
Net investment income (loss)	3,040,100	2,679,535
Net realized gain (loss) on investments sold	3,772,058	1,490,564
Change in unrealized appreciation (depreciation) of investments	(12,645,570)	(8,055,518)
Net gain (loss) on investments and transaction costs	(8,873,512)	(6,564,954)
Increase (decrease) in net assets from operations	$ (5,833,412)	$(3,885,419)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (5,833,324)	$(3,885,389)
Class F Units	$ (88)	$ (30)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.18)	$ (0.12)
Class F Units	$ (0.12)	$ (0.04)

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$387,255,358	$356,298,401
Class F Units	8,899	8,810
	387,264,257	356,307,211
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(5,833,324)	(3,885,389)
Class F Units	(88)	(30)
	(5,833,412)	(3,885,419)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	28,269,283	85,636,918
Reinvested distributions		
Class A Units	(1,784)	1,421
Payments on redemption		
Class A Units	(36,852,074)	(43,314,770)
Class F Units	(92)	–
	(8,584,667)	42,323,569
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(14,417,899)	38,438,180
Class F Units	(180)	(30)
	(14,418,079)	38,438,150
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	372,837,459	394,736,581
Class F Units	8,719	8,780
	$372,846,178	$394,745,361

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 65.5%			
5,724,139	Fidelity Canadian Bond Fund Series O	73,719,350	73,228,343
4,936,289	Mackenzie Sentinel Bond Fund Series O	53,583,454	53,386,459
667,239	Mackenzie Sentinel Real Return Bond Fund Series O	7,518,032	7,649,889
5,759,249	Scotia Canadian Income Fund Class I	75,490,688	73,066,432
3,736,488	Scotia Cassels Canadian Corporate Bond Fund Class I	36,833,146	36,648,969
		247,144,670	243,980,092
CANADIAN EQUITIES – 15.5%			
818,654	CI Canadian Investment Fund Class I	23,470,356	22,807,698
584,038	Dynamic Focus+ Real Estate Fund Series O	3,755,213	3,556,791
782,372	Scotia Canadian Dividend Fund Class I	33,007,320	31,546,642
		60,232,889	57,911,131
FOREIGN EQUITIES – 18.1%			
716,620	AGF Emerging Markets Fund Series O	7,509,549	7,051,536
557,734	CI American Value Fund Class I	11,265,979	10,769,834
554,686	Mackenzie Cundill Value Fund Series O	3,754,996	3,495,520
734,986	Mackenzie Universal American Growth (Unhedged) Class Series O	10,327,204	10,011,689
2,718,111	Mackenzie Universal International Stock Fund Series O	15,020,181	14,497,318
345,158	Mutual Discovery Fund Series O	5,632,712	5,343,046
766,506	Templeton International Stock Fund Series O	17,835,040	16,472,203
		71,345,661	67,641,146
	TOTAL INVESTMENT PORTFOLIO	378,723,220	369,532,369
	OTHER ASSETS, LESS LIABILITIES – 0.9%		3,313,809
	TOTAL NET ASSETS – 100.0%		372,846,178

The accompanying notes are an integral part of the financial statements

Scotia Partners Income & Modest Growth Portfolio (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Partners Income & Modest Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Partners Balanced Income & Growth Portfolio (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$1,358,076,040	$1,370,874,390
Cash	16,046,599	2,635,480
Receivable for securities sold	–	1,170,808
Subscriptions receivable	1,936,097	897,338
	1,376,058,736	1,375,578,016
LIABILITIES		
Payable for securities purchased	1,419,945	698,482
Distributions payable	–	35,652
Redemptions payable	705,944	684,048
Accrued expenses	2,527,166	2,518,024
	4,653,055	3,936,206
Net assets	$1,371,405,681	$1,371,641,810
NET ASSETS PER CLASS		
Class A Units	$1,371,198,741	$1,371,437,051
Class F Units	$ 206,940	$ 204,759
UNITS OUTSTANDING		
Class A Units	109,493,619	106,727,061
Class F Units	15,622	15,144
NET ASSETS PER UNIT		
Class A Units	$ 12.52	$ 12.85
Class F Units	$ 13.25	$ 13.52

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 577,851	$ –
Interest	15,727,749	13,770,671
	16,305,600	13,770,671
EXPENSES		
Management fees (note 4)	13,652,225	12,563,926
Audit fees	8,573	8,456
Independent Review Committee fees	1,374	652
Filing fees	38,376	35,880
Legal fees	4,612	4,883
Unitholder reporting	42,765	27,952
Unitholder administration, service fees and GST	887,376	994,853
	14,635,301	13,636,602
Absorbed expenses	(29,927)	(11,413)
	14,605,374	13,625,189
Net investment income (loss)	1,700,226	145,482
Net realized gain (loss) on investments sold	19,633,895	8,782,661
Change in unrealized appreciation (depreciation) of investments	(56,348,099)	(11,780,292)
Net gain (loss) on investments and transaction costs	(36,714,204)	(2,997,631)
Increase (decrease) in net assets from operations	$(35,013,978)	$ (2,852,149)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(35,009,799)	$ (2,854,598)
Class F Units	$ (4,179)	$ 2,449
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.32)	$ (0.03)
Class F Units	$ (0.27)	$ 0.12

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$1,371,437,051	$1,090,056,969
Class F Units	204,759	314,142
	1,371,641,810	1,090,371,111
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(35,009,799)	(2,854,598)
Class F Units	(4,179)	2,449
	(35,013,978)	(2,852,149)
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	129,554,935	364,790,649
Class F Units	6,489	4,471
Reinvested distributions		
Class A Units	(485)	985
Payments on redemption		
Class A Units	(94,782,961)	(79,595,631)
Class F Units	(129)	(49,663)
	34,777,849	285,150,811
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(238,310)	282,341,405
Class F Units	2,181	(42,743)
	(236,129)	282,298,662
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,371,198,741	1,372,398,374
Class F Units	206,940	271,399
	$1,371,405,681	$1,372,669,773

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 40.7%			
9,496,596	Fidelity Canadian Bond Fund Series O	122,497,625	121,488,997
8,362,517	Mackenzie Sentinel Bond Fund Series O	90,774,183	90,441,454
3,345,219	Mackenzie Sentinel Real Return Bond Fund Series O	37,692,860	38,352,930
9,658,326	Scotia Canadian Income Fund Class I	125,885,790	122,533,245
9,659,674	Scotia Cassels Canadian Corporate Bond Fund Class I	95,221,703	94,745,946
9,386,062	CI Signature Corporate Bond Fund Class I	91,040,550	90,293,914
		563,112,711	557,856,486
CANADIAN EQUITIES – 25.7%			
997,802	AGF Canadian Stock Fund Series O	44,841,742	60,656,362
2,189,329	CI Canadian Investment Fund Class I	62,763,070	60,994,717
2,169,349	Dynamic Focus+ Real Estate Fund Series O	13,947,285	13,211,336
2,976,773	Dynamic Value Fund of Canada Series O	27,894,951	28,755,629
1,647,728	Fidelity True North Fund Series O	62,763,405	61,806,593
3,154,362	Scotia Canadian Dividend Fund Class I	133,077,366	127,189,557
		345,287,819	352,614,194
FOREIGN EQUITIES – 32.6%			
5,324,532	AGF Emerging Markets Fund Series O	55,788,767	52,393,390
2,762,097	CI American Value Fund Class I	55,789,194	53,336,085
1,448,471	CI Global Small Companies Fund Class I	27,894,599	26,695,322
1,475,047	Fidelity Global Real Estate Series O	13,947,200	12,667,700
5,151,276	Mackenzie Cundill Value Fund Series O	34,868,147	32,462,306
3,226,213	Mackenzie Universal American Growth (Unhedged) Class Series O	45,328,749	43,946,184
11,989,850	Mackenzie Universal International Stock Fund Series O	66,249,605	63,949,064
2,136,813	Mutual Discovery Fund Series O	34,868,149	33,077,870
1,301,775	Templeton Global Smaller Companies Fund Class O	28,221,149	26,009,459
4,796,090	Templeton International Stock Fund Series O	111,577,476	103,067,980
		474,533,035	447,605,360
	TOTAL INVESTMENT PORTFOLIO	1,382,933,565	1,358,076,040
	OTHER ASSETS, LESS LIABILITIES – 1.0%		13,329,641
	TOTAL NET ASSETS – 100.0%		1,371,405,681

The accompanying notes are an integral part of the financial statements

Scotia Partners Balanced Income & Growth Portfolio (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Partners Balanced Income & Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Partners Moderate Growth Portfolio
(formerly Scotia Partners Conservative Growth Portfolio) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$1,461,098,844	$1,520,956,568
Cash	47,622,747	2,599,971
Receivable for securities sold	805,560	588,822
Subscriptions receivable	1,787,844	2,177,344
	1,511,314,995	1,526,322,705
LIABILITIES		
Payable for securities purchased	193,690	1,109,932
Distributions payable	–	9,232
Redemptions payable	1,797,711	800,244
Accrued expenses	2,978,221	3,032,833
	4,969,622	4,952,241
Net assets	$1,506,345,373	$1,521,370,464
NET ASSETS PER CLASS		
Class A Units	$1,505,266,111	$1,520,369,450
Class F Units	$ 1,079,262	$ 1,001,014
UNITS OUTSTANDING		
Class A Units	107,695,747	104,414,872
Class F Units	73,049	65,376
NET ASSETS PER UNIT		
Class A Units	$ 13.98	$ 14.56
Class F Units	$ 14.77	$ 15.31

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 675,191	$ –
Interest	10,609,821	8,253,957
	11,285,012	8,253,957
EXPENSES		
Management fees (note 4)	16,101,984	14,421,530
Audit fees	8,333	8,456
Independent Review Committee fees	1,334	578
Filing fees	46,614	45,725
Legal fees	4,508	4,486
Unitholder reporting	41,636	25,103
Unitholder administration, service fees and GST	1,000,089	1,055,590
	17,204,498	15,561,468
Absorbed expenses	(33,264)	(26,158)
	17,171,234	15,535,310
Net investment income (loss)	(5,886,222)	(7,281,353)
Net realized gain (loss) on investments sold	5,220,685	242,509
Change in unrealized appreciation (depreciation) of investments	(60,327,883)	29,666,920
Net gain (loss) on investments and transaction costs	(55,107,198)	29,909,429
Increase (decrease) in net assets from operations	$(60,993,420)	$22,628,076
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(60,956,771)	$22,613,119
Class F Units	$ (36,649)	$ 14,957
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.57)	$ 0.26
Class F Units	$ (0.58)	$ 0.28

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$1,520,369,450	$1,113,130,692
Class F Units	1,001,014	624,640
	1,521,370,464	1,113,755,332
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(60,956,771)	22,613,119
Class F Units	(36,649)	14,957
	(60,993,420)	22,628,076
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	149,567,273	444,615,772
Class F Units	243,736	592,258
Reinvested distributions		
Class A Units	3,033	–
Payments on redemption		
Class A Units	(103,716,874)	(66,180,896)
Class F Units	(128,839)	(79,244)
	45,968,329	378,947,890
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(15,103,339)	401,047,995
Class F Units	78,248	527,971
	(15,025,091)	401,575,966
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	1,505,266,111	1,514,178,687
Class F Units	1,079,262	1,152,611
	$1,506,345,373	$1,515,331,298

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 25.6%			
7,826,547	Fidelity Canadian Bond Fund Series O	100,956,819	100,124,227
9,123,236	Scotia Canadian Income Fund Class I	118,656,297	115,744,673
5,517,995	Scotia Cassels Canadian Corporate Bond Fund Class I	54,394,774	54,122,700
12,015,226	CI Signature Corporate Bond Fund Class I	116,543,286	115,586,470
		390,551,176	385,578,070
CANADIAN EQUITIES – 32.1%			
1,225,847	AGF Canadian Stock Fund Series O	57,690,645	74,519,225
2,199,300	CI Canadian Investment Fund Class I	58,310,269	61,272,490
544,435	Dynamic Focus + Small Business Fund Series O	5,443,706	5,368,124
3,609,745	Dynamic Focus + Real Estate Fund Series O	23,209,622	21,983,349
7,431,220	Dynamic Value Fund of Canada Series O	69,633,494	71,785,590
2,666,227	Fidelity True North Fund Series O	75,752,846	100,010,715
3,684,748	Scotia Canadian Dividend Fund Class I	155,463,259	148,575,656
		445,503,841	483,515,149
FOREIGN EQUITIES – 39.3%			
8,120,937	AGF Emerging Markets Fund Series O	85,098,939	79,910,016
2,410,237	CI Global Small Companies Fund Class I	46,419,380	44,420,672
6,307,175	Dynamic American Value Fund Series O	46,420,930	46,168,521
4,099,049	Dynamic Global Value Fund Series O	30,945,333	29,021,267
3,532,745	Dynamic Power American Growth Fund Series O	30,946,292	29,251,122
2,454,136	Fidelity Global Real Estate Series O	23,208,481	21,076,122
7,999,807	Mackenzie Cundill Value Fund Series O	54,154,682	50,413,178
2,202,493	Mackenzie Universal American Growth (Unhedged) Class Series O	30,946,699	30,001,483
11,200,314	Mackenzie Universal International Stock Fund Series O	61,891,587	59,737,996
3,792,613	Mutual Discovery Fund Series O	61,891,980	58,709,655
2,165,308	Templeton Global Smaller Companies Fund Class O	47,854,913	43,262,853
4,654,851	Templeton International Stock Fund Series O	108,306,639	100,032,740
		628,085,855	592,005,625
	TOTAL INVESTMENT PORTFOLIO	1,464,140,872	1,461,098,844
	OTHER ASSETS, LESS LIABILITIES – 3.0%		45,246,529
	TOTAL NET ASSETS – 100.0%		1,506,345,373

The accompanying notes are an integral part of the financial statements

Scotia Partners Moderate Growth Portfolio
(formerly Scotia Partners Conservative Growth Portfolio) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Partners Moderate Growth Portfolio (the "Portfolio") is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Partners Aggressive Growth Portfolio (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$388,359,909	$395,658,766
Cash	5,331,562	1,268,098
Receivable for securities sold	310,896	792,945
Subscriptions receivable	318,199	245,310
	394,320,566	397,965,119
LIABILITIES		
Payable for securities purchased	–	333,224
Redemptions payable	371,097	141,634
Accrued expenses	854,120	867,383
	1,225,217	1,342,241
Net assets	$393,095,349	$396,622,878
NET ASSETS PER CLASS		
Class A Units	$392,926,513	$396,444,265
Class F Units	$ 168,836	$ 178,613
UNITS OUTSTANDING		
Class A Units	26,989,689	25,716,349
Class F Units	11,085	11,133
NET ASSETS PER UNIT		
Class A Units	$ 14.56	$ 15.42
Class F Units	$ 15.23	$ 16.04

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 175,455	$ –
Interest	1,226,766	887,883
	1,402,221	887,883
EXPENSES		
Management fees (note 4)	4,584,754	4,089,533
Audit fees	6,551	6,490
Independent Review Committee fees	344	146
Filing fees	17,172	16,509
Legal fees	1,932	2,159
Unitholder reporting	13,860	7,927
Unitholder administration, service fees and GST	291,908	330,822
	4,916,521	4,453,586
Absorbed expenses	(8,787)	(13,154)
	4,907,734	4,440,432
Net investment income (loss)	(3,505,513)	(3,552,549)
Net realized gain (loss) on investments sold	4,757,591	1,284,999
Change in unrealized appreciation (depreciation) of investments	(23,323,161)	9,880,523
Net gain (loss) on investments and transaction costs	(18,565,570)	11,165,522
Increase (decrease) in net assets from operations	$(22,071,083)	$ 7,612,973
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(22,062,111)	$ 7,612,100
Class F Units	$ (8,972)	$ 873
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.83)	$ 0.36
Class F Units	$ (0.81)	$ 0.36

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$396,444,265	$283,352,810
Class F Units	178,613	17,546
	396,622,878	283,370,356
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(22,062,111)	7,612,100
Class F Units	(8,972)	873
	(22,071,083)	7,612,973
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	46,567,925	125,329,529
Class F Units	14,970	57,243
Payments on redemption		
Class A Units	(28,023,566)	(19,906,344)
Class F Units	(15,775)	–
	18,543,554	105,480,428
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(3,517,752)	113,035,285
Class F Units	(9,777)	58,116
	(3,527,529)	113,093,401
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	392,926,513	396,388,095
Class F Units	168,836	75,662
	$393,095,349	$396,463,757

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 10.2%			
625,570	Fidelity Canadian Bond Fund Series O	8,069,375	8,002,854
2,425,686	Mackenzie Sentinel Corporate Bond Fund Series O	22,198,392	21,862,705
793,760	Scotia Canadian Income Fund Class I	10,305,899	10,070,270
		40,573,666	39,935,829
CANADIAN EQUITIES – 41.8%			
253,322	AGF Canadian Stock Fund Series O	16,077,464	15,399,425
571,601	CI Canadian Investment Fund Class I	15,299,877	15,924,814
2,018,403	Dynamic Focus+Small Business Fund Series O	20,182,661	19,901,458
937,700	Dynamic Focus+ Real Estate Fund Series O	6,029,072	5,710,593
3,002,959	Dynamic Value Fund of Canada Series O	28,139,639	29,008,585
1,064,331	Fidelity True North Fund Series O	30,579,540	39,923,260
957,127	Scotia Canadian Dividend Fund Class I	40,381,714	38,593,081
		156,689,967	164,461,216
FOREIGN EQUITIES – 46.8%			
3,068,359	AGF Emerging Markets Fund Series O	32,151,972	30,192,648
208,703	CI Global Small Companies Fund Class I	4,019,400	3,846,393
2,184,594	Dynamic American Value Fund Series O	16,078,747	15,991,230
2,395,773	Dynamic Global Value Fund Series O	18,086,130	16,962,072
1,376,567	Dynamic Power American Growth Fund Series O	12,058,574	11,397,976
637,499	Fidelity Global Real Estate Series O	6,028,539	5,474,843
2,968,639	Mackenzie Cundill Value Fund Series O	20,095,895	18,707,766
3,636,825	Mackenzie Universal International Stock Fund Series O	20,096,353	19,397,369
1,600,938	Mutual Discovery Fund Series O	26,125,399	24,782,519
747,629	Templeton Global Smaller Companies Fund Class O	16,598,891	14,937,632
1,036,408	Templeton International Stock Fund Series O	24,113,693	22,272,416
		195,453,593	183,962,864
	TOTAL INVESTMENT PORTFOLIO	392,717,226	388,359,909
	OTHER ASSETS, LESS LIABILITIES – 1.2%		4,735,440
	TOTAL NET ASSETS – 100.0%		393,095,349

The accompanying notes are an integral part of the financial statements

Scotia Partners Aggressive Growth Portfolio (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of the Scotia Partners Aggressive Growth Portfolio (the "Portfolio") is long-term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Conservative 2010 Portfolio
(formerly Scotia Vision Conservative 2010 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$50,310,134	$54,282,579
Cash	452,506	604,190
Receivable for securities sold	101,412	–
Subscriptions receivable	1,320	5,880
	50,865,372	54,892,649
LIABILITIES		
Payable for securities purchased	–	15,929
Distributions payable	–	142
Redemptions payable	78,247	8,000
Accrued expenses	79,629	85,592
	157,876	109,663
Net assets	$50,707,496	$54,782,986
NET ASSETS PER CLASS		
Class A Units	$50,707,496	$54,782,986
UNITS OUTSTANDING		
Class A Units	4,990,020	5,389,447
NET ASSETS PER UNIT		
Class A Units	$ 10.16	$ 10.16

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 64,074	$ 70,517
Interest	688,485	743,013
Capital gains distributions received	–	398,468
	752,559	1,211,998
EXPENSES		
Management fees (note 4)	420,005	462,460
Audit fees	5,945	4,834
Independent Review Committee fees	38	22
Filing fees	7,637	7,229
Legal fees	1,134	1,490
Unitholder reporting	5,252	2,965
Unitholder administration, service fees and GST	40,317	44,663
	480,328	523,663
Absorbed expenses	(3,491)	(1,319)
	476,837	522,344
Net investment income (loss)	275,722	689,654
Net realized gain (loss) on investments sold	(245,563)	1,079,419
Change in unrealized appreciation (depreciation) of investments	(37,841)	(1,546,887)
Net gain (loss) on investments and transaction costs	(283,404)	(467,468)
Increase (decrease) in net assets from operations	$ (7,682)	$ 222,186
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (7,682)	$ 222,186
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ –	$ 0.04

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$54,782,986	$55,636,174
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(7,682)	222,186
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,309,797	5,894,797
Payments on redemption		
Class A Units	(5,377,605)	(3,620,357)
	(4,067,808)	2,274,440
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(4,075,490)	2,496,626
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$50,707,496	$58,132,800

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
CASH EQUIVALENT – 10.8%			
544,878	Scotia Money Market Fund Class I	5,448,780	5,448,780
FIXED INCOME – 40.0%			
653,694	Scotia Canadian Bond Index Fund Class I	7,028,721	6,913,731
702,106	Scotia Canadian Income Fund Class I	9,266,178	8,907,476
563,387	Scotia Global Bond Fund Class I	4,776,937	4,477,460
		21,071,836	20,298,667
CANADIAN EQUITIES – 28.9%			
50,993	Scotia Canadian Blue Chip Fund Class I	1,245,690	1,635,148
140,924	Scotia Canadian Dividend Fund Class I	4,977,407	5,682,290
14,105	Scotia Canadian Growth Fund Class I	971,380	1,021,785
178,020	Scotia Canadian Index Fund Class I	3,403,613	4,344,371
82,787	Scotia Canadian Small Cap Fund Class I	2,218,325	1,978,536
		12,816,415	14,662,130
FOREIGN EQUITIES – 19.5%			
43,415	Scotia European Fund Class E	552,697	501,073
216,782	Scotia Global Opportunities Fund Class I	2,068,637	1,969,034
112,785	Scotia Global Small Cap Fund Class I	1,182,407	1,021,943
368,639	Scotia International Index Fund Class I	3,097,600	3,043,738
217,335	Scotia International Value Fund Class I	2,054,718	1,455,885
158,093	Scotia U.S. Index Fund Class I	2,163,325	1,908,884
		11,119,384	9,900,557
	TOTAL INVESTMENT PORTFOLIO	50,456,415	50,310,134
	OTHER ASSETS, LESS LIABILITIES – 0.8%		397,362
	TOTAL NET ASSETS – 100.0%		50,707,496

The accompanying notes are an integral part of the financial statements

Scotia Vision Conservative 2010 Portfolio
(formerly Scotia Vision Conservative 2010 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Vision Conservative 2010 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2010) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Aggressive 2010 Portfolio
(formerly Scotia Vision Aggressive 2010 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$6,945,718	$7,391,158
Cash	64,552	78,847
Subscriptions receivable	10,700	2,115
	7,020,970	7,472,120
LIABILITIES		
Payable for securities purchased	9,483	14,471
Distributions payable	–	215
Accrued expenses	11,950	12,651
	21,433	27,337
Net assets	$6,999,537	$7,444,783
NET ASSETS PER CLASS		
Class A Units	$6,999,537	$7,444,783
UNITS OUTSTANDING		
Class A Units	696,142	737,645
NET ASSETS PER UNIT		
Class A Units	$ 10.05	$ 10.09

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 9,568	$ 10,058
Interest	84,082	92,930
Capital gains distributions received	–	56,952
	93,650	159,940
EXPENSES		
Management fees (note 4)	59,276	65,352
Audit fees	5,402	4,201
Independent Review Committee fees	6	3
Filing fees	6,935	6,788
Legal fees	1,053	1,391
Unitholder reporting	4,374	2,242
Unitholder administration, service fees and GST	17,685	15,166
	94,731	95,143
Absorbed expenses	(23,439)	(14,535)
	71,292	80,608
Net investment income (loss)	22,358	79,332
Net realized gain (loss) on investments sold	(23,014)	238,160
Change in unrealized appreciation (depreciation) of investments	(25,370)	(278,241)
Net gain (loss) on investments and transaction costs	(48,384)	(40,081)
Increase (decrease) in net assets from operations	$(26,026)	$ 39,251
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(26,026)	$ 39,251
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.04)	$ 0.05

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$7,444,783	$ 8,125,297
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(26,026)	39,251
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	431,971	791,851
Payments on redemption		
Class A Units	(851,191)	(1,345,636)
	(419,220)	(553,785)
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(445,246)	(514,534)
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$6,999,537	$ 7,610,763

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
CASH EQUIVALENT – 6.9%			
48,342	Scotia Money Market Fund Class I	483,418	483,418
FIXED INCOME – 38.2%			
84,098	Scotia Canadian Bond Index Fund Class I	897,883	889,459
91,818	Scotia Canadian Income Fund Class I	1,200,477	1,164,879
77,967	Scotia Global Bond Fund Class I	647,050	619,638
		2,745,410	2,673,976
CANADIAN EQUITIES – 32.8%			
11,643	Scotia Canadian Blue Chip Fund Class I	303,793	373,357
21,026	Scotia Canadian Dividend Fund Class I	766,827	847,820
1,950	Scotia Canadian Growth Fund Class I	132,243	141,269
24,437	Scotia Canadian Index Fund Class I	488,587	596,364
14,204	Scotia Canadian Small Cap Fund Class I	379,476	339,461
		2,070,926	2,298,271
FOREIGN EQUITIES – 21.3%			
11,717	Scotia European Fund Class E	149,018	135,232
29,875	Scotia Global Opportunities Fund Class I	289,054	271,359
15,354	Scotia Global Small Cap Fund Class I	157,181	139,120
42,104	Scotia International Index Fund Class I	362,188	347,643
39,695	Scotia International Value Fund Class I	364,545	265,907
27,396	Scotia U.S. Index Fund Class I	373,515	330,792
		1,695,501	1,490,053
	TOTAL INVESTMENT PORTFOLIO	6,995,255	6,945,718
	OTHER ASSETS, LESS LIABILITIES – 0.8%		53,819
	TOTAL NET ASSETS – 100.0%		6,999,537

The accompanying notes are an integral part of the financial statements

Scotia Vision Aggressive 2010 Portfolio
(formerly Scotia Vision Aggressive 2010 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Vision Aggressive 2010 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2010) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Conservative 2015 Portfolio
(formerly Scotia Vision Conservative 2015 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$79,522,037	$81,981,994
Cash	724,656	797,057
Receivable for securities sold	69,142	–
Subscriptions receivable	7,606	14,042
	80,323,441	82,793,093
LIABILITIES		
Payable for securities purchased	–	30,910
Redemptions payable	5,000	4,826
Accrued expenses	130,988	133,850
	135,988	169,586
Net assets	$80,187,453	$82,623,507
NET ASSETS PER CLASS		
Class A Units	$80,187,453	$82,623,507
UNITS OUTSTANDING		
Class A Units	7,755,157	7,941,100
NET ASSETS PER UNIT		
Class A Units	$ 10.34	$ 10.40

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 118,471	$ 120,574
Interest	943,790	920,036
Capital gains distributions received	–	757,461
	1,062,261	1,798,071
EXPENSES		
Management fees (note 4)	693,053	690,535
Audit fees	5,002	4,834
Independent Review Committee fees	64	32
Filing fees	8,072	7,400
Legal fees	1,202	1,547
Unitholder reporting	5,985	3,389
Unitholder administration, service fees and GST	57,262	61,527
	770,640	769,264
Absorbed expenses	(654)	(1,905)
	769,986	767,359
Net investment income (loss)	292,275	1,030,712
Net realized gain (loss) on investments sold	(262,578)	1,325,735
Change in unrealized appreciation (depreciation) of investments	(525,132)	(1,935,716)
Net gain (loss) on investments and transaction costs	(787,710)	(609,981)
Increase (decrease) in net assets from operations	$ (495,435)	$ 420,731
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$ (495,435)	$ 420,731
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.06)	$ 0.06

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$82,623,507	$75,190,935
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(495,435)	420,731
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	4,143,305	12,571,259
Payments on redemption		
Class A Units	(6,083,924)	(3,991,772)
	(1,940,619)	8,579,487
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(2,436,054)	9,000,218
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$80,187,453	$84,191,153

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
CASH EQUIVALENT – 4.9%			
392,157	Scotia Money Market Fund Class I	3,921,568	3,921,568
FIXED INCOME – 39.1%			
1,032,486	Scotia Canadian Bond Index Fund Class I	11,091,609	10,919,981
1,110,725	Scotia Canadian Income Fund Class I	14,557,145	14,091,542
793,412	Scotia Global Bond Fund Class I	6,647,248	6,305,561
		32,296,002	31,317,084
CANADIAN EQUITIES – 31.9%			
80,495	Scotia Canadian Blue Chip Fund Class I	2,007,944	2,581,184
262,825	Scotia Canadian Dividend Fund Class I	9,412,544	10,597,570
22,593	Scotia Canadian Growth Fund Class I	1,530,640	1,636,640
281,169	Scotia Canadian Index Fund Class I	5,472,191	6,861,594
163,719	Scotia Canadian Small Cap Fund Class I	4,378,517	3,912,757
		22,801,836	25,589,745
FOREIGN EQUITIES – 23.3%			
69,047	Scotia European Fund Class E	873,717	796,901
429,029	Scotia Global Opportunities Fund Class I	4,108,961	3,896,869
180,358	Scotia Global Small Cap Fund Class I	1,906,299	1,634,223
582,302	Scotia International Index Fund Class I	4,958,451	4,807,894
565,620	Scotia International Value Fund Class I	5,332,029	3,788,973
312,130	Scotia U.S. Index Fund Class I	4,292,724	3,768,780
		21,472,181	18,693,640
	TOTAL INVESTMENT PORTFOLIO	80,491,587	79,522,037
	OTHER ASSETS, LESS LIABILITIES – 0.8%		665,416
	TOTAL NET ASSETS – 100.0%		80,187,453

The accompanying notes are an integral part of the financial statements

Scotia Vision Conservative 2015 Portfolio
(formerly Scotia Vision Conservative 2015 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Vision Conservative 2015 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2015) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Aggressive 2015 Portfolio
(formerly Scotia Vision Aggressive 2015 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$25,477,332	$25,648,555
Cash	240,541	278,045
Subscriptions receivable	1,318	7,023
	25,719,191	25,933,623
LIABILITIES		
Payable for securities purchased	–	12,036
Redemptions payable	1,453	178
Accrued expenses	46,422	46,495
	47,875	58,709
Net assets	$25,671,316	$25,874,914
NET ASSETS PER CLASS		
Class A Units	$25,671,316	$25,874,914
UNITS OUTSTANDING		
Class A Units	2,510,428	2,506,672
NET ASSETS PER UNIT		
Class A Units	$ 10.23	$ 10.32

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 31,779	$ 37,970
Interest	245,415	250,065
Capital gains distributions received	–	259,866
	277,194	547,901
EXPENSES		
Management fees (note 4)	225,145	227,203
Audit fees	4,458	4,201
Independent Review Committee fees	19	10
Filing fees	7,230	6,934
Legal fees	1,087	1,425
Unitholder reporting	4,744	2,495
Unitholder administration, service fees and GST	27,794	26,798
	270,477	269,066
Absorbed expenses	(1,653)	(1,482)
	268,824	267,584
Net investment income (loss)	8,370	280,317
Net realized gain (loss) on investments sold	(175,842)	611,028
Change in unrealized appreciation (depreciation) of investments	(73,731)	(635,575)
Net gain (loss) on investments and transaction costs	(249,573)	(24,547)
Increase (decrease) in net assets from operations	$(241,203)	$ 255,770
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(241,203)	$ 255,770
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.10)	$ 0.11

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$25,874,914	$23,806,871
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(241,203)	255,770
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	1,448,390	4,332,461
Payments on redemption		
Class A Units	(1,410,785)	(1,804,947)
	37,605	2,527,514
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(203,598)	2,783,284
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$25,671,316	$26,590,155

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
CASH EQUIVALENT – 3.9%			
100,838	Scotia Money Market Fund Class I	1,008,382	1,008,382
FIXED INCOME – 32.2%			
259,176	Scotia Canadian Bond Index Fund Class I	2,783,577	2,741,154
315,084	Scotia Canadian Income Fund Class I	4,120,112	3,997,411
191,885	Scotia Global Bond Fund Class I	1,589,682	1,524,985
		8,493,371	8,263,550
CANADIAN EQUITIES – 34.8%			
42,516	Scotia Canadian Blue Chip Fund Class I	1,079,651	1,363,336
71,029	Scotia Canadian Dividend Fund Class I	2,567,745	2,864,010
10,772	Scotia Canadian Growth Fund Class I	729,774	780,296
89,404	Scotia Canadian Index Fund Class I	1,799,799	2,181,809
72,990	Scotia Canadian Small Cap Fund Class I	1,957,082	1,744,406
		8,134,051	8,933,857
FOREIGN EQUITIES – 28.3%			
43,926	Scotia European Fund Class E	561,108	506,964
136,668	Scotia Global Opportunities Fund Class I	1,309,745	1,241,356
86,693	Scotia Global Small Cap Fund Class I	909,939	785,527
183,708	Scotia International Index Fund Class I	1,589,984	1,516,823
182,131	Scotia International Value Fund Class I	1,701,840	1,220,061
14,498	Scotia Latin American Fund Class I	416,911	551,723
79,644	Scotia U.S. Index Fund Class I	1,107,508	961,655
65,472	Scotia U.S. Value Fund Class I	560,835	487,434
		8,157,870	7,271,543
	TOTAL INVESTMENT PORTFOLIO	25,793,674	25,477,332
	OTHER ASSETS, LESS LIABILITIES – 0.8%		193,984
	TOTAL NET ASSETS – 100.0%		25,671,316

The accompanying notes are an integral part of the financial statements

Scotia Vision Aggressive 2015 Portfolio
(formerly Scotia Vision Aggressive 2015 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of the Scotia Aggressive Conservative 2015 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2015) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Conservative 2020 Portfolio
(formerly Scotia Vision Conservative 2020 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$83,671,384	$83,298,855
Cash	859,487	844,842
Receivable for securities sold	19,550	132,102
Subscriptions receivable	37,660	34,256
	84,588,081	84,310,055
LIABILITIES		
Payable for securities purchased	11,570	103,213
Distribution Payable	–	727
Redemptions payable	45,713	29,500
Accrued expenses	145,727	144,637
	203,010	278,077
Net assets	$84,385,071	$84,031,978
NET ASSETS PER CLASS		
Class A Units	$84,385,071	$84,031,978
UNITS OUTSTANDING		
Class A Units	8,205,623	8,111,633
NET ASSETS PER UNIT		
Class A Units	$ 10.28	$ 10.36

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 123,104	$ 119,163
Interest	865,721	836,936
Capital gains distributions received	–	719,917
	988,825	1,676,016
EXPENSES		
Management fees (note 4)	757,110	721,587
Audit fees	5,002	4,834
Independent Review Committee fees	76	37
Filing fees	8,141	7,425
Legal fees	1,235	1,575
Unitholder reporting	6,343	3,597
Unitholder administration, service fees and GST	61,968	65,075
	839,875	804,130
Absorbed expenses	(278)	(1,142)
	839,597	802,988
Net investment income (loss)	149,228	873,028
Net realized gain (loss) on investments sold	(343,354)	1,766,455
Change in unrealized appreciation (depreciation) of investments	(388,931)	(2,021,517)
Net gain (loss) on investments and transaction costs	(732,285)	(255,062)
Increase (decrease) in net assets from operations	$(583,057)	$ 617,966
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(583,057)	$ 617,966
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.07)	$ 0.09

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$84,031,978	$73,522,328
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(583,057)	617,966
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	6,098,938	13,036,611
Reinvested distributions		
Class A Units	–	(11)
Payments on redemption		
Class A Units	(5,162,788)	(3,417,288)
	936,150	9,619,312
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	353,093	10,237,278
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$84,385,071	$83,759,606

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
CASH EQUIVALENT – 4.9%			
411,387	Scotia Money Market Fund Class I	4,113,875	4,113,875
FIXED INCOME – 34.1%			
929,274	Scotia Canadian Bond Index Fund Class I	9,982,375	9,828,374
1,037,477	Scotia Canadian Income Fund Class I	13,549,878	13,162,265
730,935	Scotia Global Bond Fund Class I	6,034,810	5,809,032
		29,567,063	28,799,671
CANADIAN EQUITIES – 34.8%			
140,726	Scotia Canadian Blue Chip Fund Class I	3,639,212	4,512,561
275,687	Scotia Canadian Dividend Fund Class I	9,981,091	11,116,178
35,394	Scotia Canadian Growth Fund Class I	2,398,897	2,563,878
257,538	Scotia Canadian Index Fund Class I	5,085,988	6,284,912
205,935	Scotia Canadian Small Cap Fund Class I	5,495,026	4,921,681
		26,600,214	29,399,210
FOREIGN EQUITIES – 25.3%			
71,959	Scotia European Fund Class E	917,602	830,508
449,781	Scotia Global Opportunities Fund Class I	4,304,551	4,085,361
194,228	Scotia Global Small Cap Fund Class I	2,052,737	1,759,900
606,013	Scotia International Index Fund Class I	5,145,255	5,003,664
595,780	Scotia International Value Fund Class I	5,574,974	3,991,010
23,656	Scotia Latin American Fund Class I	820,405	900,228
263,407	Scotia U.S. Index Fund Class I	3,652,519	3,180,476
215,917	Scotia U.S. Value Fund Class I	1,853,259	1,607,481
		24,321,302	21,358,628
	TOTAL INVESTMENT PORTFOLIO	84,602,454	83,671,384
	OTHER ASSETS, LESS LIABILITIES – 0.9%		713,687
	TOTAL NET ASSETS – 100.0%		84,385,071

The accompanying notes are an integral part of the financial statements

Scotia Vision Conservative 2020 Portfolio
(formerly Scotia Vision Conservative 2020 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Vision Conservative 2020 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2020) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Aggressive 2020 Portfolio
(formerly Scotia Vision Aggressive 2020 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$36,234,654	$36,708,129
Cash	394,206	457,055
Receivable for securities sold	39,776	–
Subscriptions receivable	3,643	15,907
	36,672,279	37,181,091
LIABILITIES		
Payable for securities purchased	65,680	82,675
Redemptions payable	45,717	240
Accrued expenses	67,546	68,551
	178,943	151,466
Net assets	$36,493,336	$37,029,625
NET ASSETS PER CLASS		
Class A Units	$36,493,336	$37,029,625
UNITS OUTSTANDING		
Class A Units	3,578,624	3,576,211
NET ASSETS PER UNIT		
Class A Units	$ 10.20	$ 10.35

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 45,122	$ 45,188
Interest	309,207	323,871
Capital gains distributions received	–	417,260
	354,329	786,319
EXPENSES		
Management fees (note 4)	338,969	338,501
Audit fees	4,474	4,201
Independent Review Committee fees	32	15
Filing fees	7,433	7,033
Legal fees	1,120	1,453
Unitholder reporting	5,097	2,702
Unitholder administration, service fees and GST	35,367	35,122
	392,492	389,027
Absorbed expenses	(635)	(1,240)
	391,857	387,787
Net investment income (loss)	(37,528)	398,532
Net realized gain (loss) on investments sold	(347,866)	906,771
Change in unrealized appreciation (depreciation) of investments	(175,129)	(888,114)
Net gain (loss) on investments and transaction costs	(522,995)	18,657
Increase (decrease) in net assets from operations	$(560,523)	$ 417,189
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(560,523)	$ 417,189
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.16)	$ 0.13

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$37,029,625	$33,335,176
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(560,523)	417,189
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,697,549	6,159,339
Payments on redemption		
Class A Units	(2,673,315)	(1,672,232)
	24,234	4,487,107
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	(536,289)	4,904,296
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$36,493,336	$38,239,472

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 31.2%			
369,151	Scotia Canadian Bond Index Fund Class I	3,961,222	3,904,285
448,394	Scotia Canadian Income Fund Class I	5,857,460	5,688,689
227,104	Scotia Global Bond Fund Class I	1,904,473	1,804,887
		11,723,155	11,397,861
CANADIAN EQUITIES – 35.8%			
60,760	Scotia Canadian Blue Chip Fund Class I	1,564,120	1,948,332
100,895	Scotia Canadian Dividend Fund Class I	3,643,318	4,068,254
15,420	Scotia Canadian Growth Fund Class I	1,045,440	1,117,013
111,448	Scotia Canadian Index Fund Class I	2,192,130	2,719,766
133,686	Scotia Canadian Small Cap Fund Class I	3,647,036	3,194,984
		12,092,044	13,048,349
FOREIGN EQUITIES – 32.3%			
62,951	Scotia European Fund Class E	803,293	726,543
195,126	Scotia Global Opportunities Fund Class I	1,868,248	1,772,332
162,629	Scotia Global Small Cap Fund Class I	1,713,764	1,473,580
349,937	Scotia International Index Fund Class I	2,962,856	2,889,324
259,120	Scotia International Value Fund Class I	2,433,137	1,735,791
20,530	Scotia Latin American Fund Class I	563,209	781,261
113,221	Scotia U.S. Index Fund Class I	1,569,682	1,367,076
140,034	Scotia U.S. Value Fund Class I	1,205,108	1,042,537
		13,119,297	11,788,444
	TOTAL INVESTMENT PORTFOLIO	36,934,496	36,234,654
	OTHER ASSETS, LESS LIABILITIES – 0.7%		258,682
	TOTAL NET ASSETS – 100.0%		36,493,336

The accompanying notes are an integral part of the financial statements

Scotia Vision Aggressive 2020 Portfolio
(formerly Scotia Vision Aggressive 2020 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Vision Aggressive 2020 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2020) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Conservative 2030 Portfolio
(formerly Scotia Vision Conservative 2030 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$41,893,077	$41,217,393
Cash	500,316	444,911
Subscriptions receivable	15,482	17,335
	42,408,875	41,679,639
LIABILITIES		
Payable for securities purchased	80,626	51,247
Redemptions payable	3,000	793
Accrued expenses	83,562	82,591
	167,188	134,631
Net assets	$42,241,687	$41,545,008
NET ASSETS PER CLASS		
Class A Units	$42,241,687	$41,545,008
UNITS OUTSTANDING		
Class A Units	4,092,937	3,937,683
NET ASSETS PER UNIT		
Class A Units	$ 10.32	$ 10.55

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 61,272	$ 59,274
Interest	277,833	289,179
Capital gains distributions received	–	317,332
	339,105	665,785
EXPENSES		
Management fees (note 4)	418,670	395,269
Audit fees	4,474	4,744
Independent Review Committee fees	46	22
Filing fees	7,548	7,076
Legal fees	1,157	1,490
Unitholder reporting	5,498	2,973
Unitholder administration, service fees and GST	40,671	40,653
	478,064	452,227
Absorbed expenses	(193)	(1,239)
	477,871	450,988
Net investment income (loss)	(138,766)	214,797
Net realized gain (loss) on investments sold	(23,400)	1,138,179
Change in unrealized appreciation (depreciation) of investments	(730,607)	(754,469)
Net gain (loss) on investments and transaction costs	(754,007)	383,710
Increase (decrease) in net assets from operations	$(892,773)	$ 598,507
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(892,773)	$ 598,507
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.22)	$ 0.17

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$41,545,008	$35,444,599
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(892,773)	598,507
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	4,008,017	8,105,781
Reinvested distributions		
Class A Units	(5)	–
Payments on redemption		
Class A Units	(2,418,560)	(2,015,477)
	1,589,452	6,090,304
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	696,679	6,688,811
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$42,241,687	$42,133,410

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 24.4%			
349,415	Scotia Canadian Bond Index Fund Class I	3,753,985	3,695,557
389,805	Scotia Canadian Income Fund Class I	5,085,451	4,945,378
208,440	Scotia Global Bond Fund Class I	1,734,284	1,656,554
		10,573,720	10,297,489
CANADIAN EQUITIES – 38.7%			
71,133	Scotia Canadian Blue Chip Fund Class I	1,863,181	2,280,973
137,920	Scotia Canadian Dividend Fund Class I	5,028,611	5,561,195
17,469	Scotia Canadian Growth Fund Class I	1,204,335	1,265,426
128,614	Scotia Canadian Index Fund Class I	2,564,901	3,138,678
171,502	Scotia Canadian Small Cap Fund Class I	4,613,886	4,098,749
		15,274,914	16,345,021
FOREIGN EQUITIES – 36.1%			
108,147	Scotia European Fund Class E	1,378,603	1,248,163
181,021	Scotia Global Opportunities Fund Class I	1,756,732	1,644,211
235,348	Scotia Global Small Cap Fund Class I	2,474,227	2,132,489
407,399	Scotia International Index Fund Class I	3,538,976	3,363,771
295,600	Scotia International Value Fund Class I	2,709,290	1,980,166
23,372	Scotia Latin American Fund Class I	724,633	889,413
29,381	Scotia Pacific Rim Fund Class I	424,005	384,956
131,621	Scotia U.S. Index Fund Class I	1,814,898	1,589,239
271,079	Scotia U.S. Value Fund Class I	2,320,016	2,018,159
		17,141,380	15,250,567
	TOTAL INVESTMENT PORTFOLIO	42,990,014	41,893,077
	OTHER ASSETS, LESS LIABILITIES – 0.8%		348,610
	TOTAL NET ASSETS – 100.0%		42,241,687

The accompanying notes are an integral part of the financial statements

Scotia Vision Conservative 2030 Portfolio
(formerly Scotia Vision Conservative 2030 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Vision Conservative 2030 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2030) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Vision Aggressive 2030 Portfolio
(formerly Scotia Vision Aggressive 2030 Fund) (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at market value	$24,284,441	$24,083,794
Cash	228,714	270,629
Receivable for securities sold	107,947	1,021
Subscriptions receivable	4,106	18,630
	24,625,208	24,374,074
LIABILITIES		
Payable for securities purchased	–	21,414
Redemptions payable	77,441	–
Accrued expenses	51,336	49,840
	128,777	71,254
Net assets	$24,496,431	$24,302,820
NET ASSETS PER CLASS		
Class A Units	$24,496,431	$24,302,820
UNITS OUTSTANDING		
Class A Units	2,328,166	2,251,893
NET ASSETS PER UNIT		
Class A Units	$ 10.52	$ 10.79

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 35,831	$ 33,889
Interest	124,453	138,679
Capital gains distributions received	–	128,600
	160,284	301,168
EXPENSES		
Management fees (note 4)	251,292	236,149
Audit fees	4,458	4,201
Independent Review Committee fees	23	10
Filing fees	7,255	6,926
Legal fees	1,097	1,430
Unitholder reporting	4,851	2,533
Unitholder administration, service fees and GST	29,404	27,718
	298,380	278,967
Absorbed expenses	(4,920)	(1,861)
	293,460	277,106
Net investment income (loss)	(133,176)	24,062
Net realized gain (loss) on investments sold	(38,123)	677,055
Change in unrealized appreciation (depreciation) of investments	(424,086)	(282,874)
Net gain (loss) on investments and transaction costs	(462,209)	394,181
Increase (decrease) in net assets from operations	$(595,385)	$ 418,243
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	$(595,385)	$ 418,243
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class A Units	$ (0.26)	$ 0.21

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Class A Units	$24,302,820	$20,905,551
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class A Units	(595,385)	418,243
UNIT TRANSACTIONS		
Proceeds from issue		
Class A Units	2,308,279	4,380,654
Payments on redemption		
Class A Units	(1,519,283)	(1,472,985)
	788,996	2,907,669
INCREASE (DECREASE) IN NET ASSETS		
Class A Units	193,611	3,325,912
TOTAL NET ASSETS – END OF PERIOD		
Class A Units	$24,496,431	$24,231,463

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Units	Issuer	Average Cost ($)	Market Value ($)
FIXED INCOME – 18.5%			
157,487	Scotia Canadian Bond Index Fund Class I	1,686,684	1,665,641
169,898	Scotia Canadian Income Fund Class I	2,210,160	2,155,458
91,470	Scotia Global Bond Fund Class I	750,388	726,947
		4,647,232	4,548,046
CANADIAN EQUITIES – 41.6%			
41,045	Scotia Canadian Blue Chip Fund Class I	1,065,799	1,316,166
79,722	Scotia Canadian Dividend Fund Class I	2,922,091	3,214,527
10,173	Scotia Canadian Growth Fund Class I	689,880	736,910
85,082	Scotia Canadian Index Fund Class I	1,726,358	2,076,330
118,863	Scotia Canadian Small Cap Fund Class I	3,196,687	2,840,741
		9,600,815	10,184,674
FOREIGN EQUITIES – 39.0%			
62,390	Scotia European Fund Class E	794,983	720,073
183,590	Scotia Global Opportunities Fund Class I	1,777,993	1,667,552
136,224	Scotia Global Small Cap Fund Class I	1,425,278	1,234,328
265,100	Scotia International Index Fund Class I	2,308,578	2,188,852
102,501	Scotia International Value Fund Class I	941,271	686,633
13,635	Scotia Latin American Fund Class I	419,430	518,869
51,746	Scotia Pacific Rim Fund Class I	675,516	677,984
76,122	Scotia U.S. Index Fund Class I	1,055,609	919,123
126,033	Scotia U.S. Value Fund Class I	1,075,673	938,307
		10,474,331	9,551,721
	TOTAL INVESTMENT PORTFOLIO	24,722,378	24,284,441
	OTHER ASSETS, LESS LIABILITIES – 0.9%		211,990
	TOTAL NET ASSETS – 100.0%		24,496,431

The accompanying notes are an integral part of the financial statements

Scotia Vision Aggressive 2030 Portfolio
(formerly Scotia Vision Aggressive 2030 Fund) (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK
As at June 30, 2008

A. Risk management

The investment objective of Scotia Vision Aggressive 2030 Portfolio (the "Portfolio") is to follow an asset allocation strategy that emphasizes a balanced total return. The Portfolio will gradually shift its asset mix from an emphasis on equity funds to an emphasis on income and cash equivalent funds as its target date (2030) approaches. The Portfolio invests primarily in a diversified mix of mutual funds.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Portfolio. The Portfolio's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines.

B. Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemption of units. The underlying funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, each Portfolio aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Portfolio's reporting currency, will fluctuate due to changes in exchange rates. Each Portfolio may be exposed to indirect currency risk in the event that the underlying funds invest in financial instruments that are denominated in a currency other than Canadian dollars.

D. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises on interest-bearing financial instruments held by a Portfolio. Each Portfolio may be exposed to indirect interest rate risk in the event that the underlying funds invest in interest-bearing financial instruments.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Each Portfolio may be exposed to indirect credit risk in the event that the underlying funds invest in debt instruments and derivatives.

F. Other price risk

Other price risk is the risk that the market value of the Portfolio's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). Each Portfolio may be exposed to indirect market risk in the event that the underlying funds invest in equity instruments.

Scotia Cassels Short-Mid Government Bond Fund (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$237,316,758	$185,308,266
Cash	106,920	98,211
Accrued investment income	1,789,647	1,058,678
	239,213,325	186,465,155
LIABILITIES		
Distributions payable	42,995	–
Accrued expenses	18,103	20,612
	61,098	20,612
Net assets	$239,152,227	$186,444,543
NET ASSETS PER CLASS		
Scotia Private Client Units	$239,152,227	$186,444,543
UNITS OUTSTANDING		
Scotia Private Client Units	23,601,067	18,510,026
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 10.13	$ 10.07

STATEMENT OF OPERATIONS
For the six month period ended June 30,*

	2008
INVESTMENT INCOME	
Interest	$4,488,921
EXPENSES	
Management fees (note 4)	72,812
Audit fees	725
Custodian fees	8,826
Filing fees	6,430
Legal fees	1,091
Unitholder reporting	4,198
Unitholder administration, service fees and GST	24,047
	118,129
Absorbed expenses	(621)
	117,508
Net investment income (loss)	4,371,413
Net realized gain (loss) on investments sold	1,194,200
Change in unrealized appreciation (depreciation) of investments	(248,179)
Net gain (loss) on investments and transaction costs	946,021
Increase (decrease) in net assets from operations	$5,317,434
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Scotia Private Client Units	$5,317,434
INCREASE (DECREASE) FROM OPERATIONS PER UNIT	
Scotia Private Client Units	$ 0.26

STATEMENT OF CHANGES IN NET ASSETS
For the six month period ended June 30,*

	2008
NET ASSETS – BEGINNING OF PERIOD	
Scotia Private Client Units	$186,444,543
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Scotia Private Client Units	5,317,434
DISTRIBUTIONS TO UNITHOLDERS	
From net investment income	
Scotia Private Client Units	(4,610,828)
UNIT TRANSACTIONS	
Proceeds from issue	
Scotia Private Client Units	71,825,317
Reinvested distributions	
Scotia Private Client Units	4,486,460
Payments on redemption	
Scotia Private Client Units	(24,310,699)
	52,001,078
INCREASE (DECREASE) IN NET ASSETS	
Scotia Private Client Units	52,707,684
TOTAL NET ASSETS – END OF PERIOD	
Scotia Private Client Units	$239,152,227

* Start date September 30, 2007

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 95.6%			
Federal Bonds – 26.9%			
33,010,000	Canada Housing Trust 4.65% due Sep. 15, 2009	33,878,573	33,495,469
14,280,000	Canada Housing Trust 4.55% due Dec. 15, 2012	14,522,141	14,645,382
15,000,000	Government of Canada 5.00% due Jun. 1, 2014	16,344,450	16,169,239
		64,745,164	64,310,090
Provincial Bonds – 68.7%			
13,000,000	Alberta Treasury Branch 3.85% due Jun. 3, 2013	12,941,440	12,891,528
19,700,000	Alberta Treasury Branch 4.40% due Dec. 3, 2012	19,873,590	20,005,150
10,135,000	Province of British Columbia 4.70% due Dec. 1, 2017	10,313,749	10,375,848
22,000,000	Province of Manitoba 4.80% due Dec. 3, 2014	22,702,840	22,747,432
22,900,000	Province of New Brunswick 4.50% due Feb. 4, 2015	23,217,728	23,252,643
27,000,000	Province of Ontario 4.50% due Dec. 2, 2012	27,281,250	27,532,517
22,000,000	Province of Ontario 4.30% due Mar. 8, 2017	21,523,616	21,909,374
13,500,000	Province of Quebec 6.00% due Oct. 1, 2012	14,417,865	14,539,197
11,000,000	Province of Quebec 4.50% due Dec. 1, 2017	10,821,427	11,029,188
		163,093,505	164,282,877
	TOTAL BONDS AND DEBENTURES	227,838,669	228,592,967
SHORT-TERM NOTES – 3.6%			
8,780,000	Government of Canada Treasury Bills 2.51% to 2.77% due from Sep. 4, 2008 to Oct. 16, 2008	8,716,594	8,723,791
	TOTAL INVESTMENT PORTFOLIO	236,555,263	237,316,758
	OTHER ASSETS, LESS LIABILITIES – 0.8%		1,835,469
	TOTAL NET ASSETS – 100.0%		239,152,227

The accompanying notes are an integral part of the financial statements

Scotia Cassels Short-Mid Government Bond Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels Short-Mid Government Bond Fund (the "Fund") is to provide regular interest income and modest capital gains. It invests primarily in:

- Bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments or any agency of such governments
- Money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $2,565,956 (approximately 1.1% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	0	33,495,469	89,613,774	105,483,724	0	228,592,967

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008, debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	42.5	40.6
AA	26.2	25.0
A	31.3	29.9
Total	100.0	95.5

Scotia Cassels Advantaged Income Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$45,355,127	$ –
Cash	254,958	150,000
Accrued investment income	202,689	–
Receivable for securities sold	289,338	–
	46,102,112	150,000
LIABILITIES		
Payable for securities purchased	973,659	–
Distributions payable	265,141	–
Accrued expenses	11,248	–
Payable for currency forward contracts	142,218	–
	1,392,266	–
Net assets	$44,709,846	$150,000
NET ASSETS PER CLASS		
Scotia Private Client Units	$44,709,846	$150,000
UNITS OUTSTANDING		
Scotia Private Client Units	4,419,011	15,000
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 10.12	$ 10.00

STATEMENT OF CHANGES IN NET ASSETS

For the six month period ended June 30,*

	2008
NET ASSETS – BEGINNING OF PERIOD	
Scotia Private Client Units	$ 150,000
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Scotia Private Client Units	1,106,929
DISTRIBUTIONS TO UNITHOLDERS	
From net investment income	
Scotia Private Client Units	(1,061,724)
UNIT TRANSACTIONS	
Proceeds from issue	
Scotia Private Client Units	47,930,861
Payments on redemption	
Scotia Private Client Units	(3,416,220)
	44,514,641
INCREASE (DECREASE) IN NET ASSETS	
Scotia Private Client Units	44,559,846
TOTAL NET ASSETS – END OF PERIOD	
Scotia Private Client Units	$44,709,846

*Start date November 1, 2007

STATEMENT OF OPERATIONS

For the six month period ended June 30,*

	2008
INVESTMENT INCOME	
Dividends	$ 151,680
Interest	265,044
Foreign withholding taxes	(8,139)
	408,585
EXPENSES	
Management fees (note 4)	13,354
Audit fees	725
Custodian fees	4,066
Filing fees	6,425
Legal fees	1,091
Unitholder reporting	4,198
Unitholder administration, service fees and GST	21,537
	51,396
Absorbed expenses	(11,765)
	39,631
Net investment income (loss)	368,954
Net realized gain (loss) on investments sold	(34,969)
Net realized gain (loss) on foreign exchange	(30,906)
Transaction costs	(38,792)
Change in unrealized appreciation (depreciation) of investments	984,860
Change in unrealized appreciation (depreciation) of currency forward	(142,218)
Net gain (loss) on investments and transaction costs	737,975
Increase (decrease) in net assets from operations	$1,106,929
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Scotia Private Client Units	$1,106,929
INCREASE (DECREASE) FROM OPERATIONS PER UNIT	
Scotia Private Client Units	$ 0.42

The accompanying notes are an integral part of the financial statements

Scotia Cassels Advantaged Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 56.3%			
CANADIAN EQUITIES – 37.3%			
Energy – 10.9%			
8,720	Canadian Natural Resources Ltd.	614,381	879,325
10,930	EnCana Corporation	785,827	1,013,211
15,930	Nexen Inc.	600,702	644,369
3,690	Niko Resources Ltd.	319,168	360,107
13,960	Petro-Canada	700,160	784,133
8,620	Shawcor Ltd. Class A	300,932	310,320
14,470	Suncor Energy Inc.	725,880	855,032
		4,047,050	4,846,497
Materials – 7.3%			
3,465	Agrium Inc.	276,712	379,695
19,870	Barrick Gold Corporation	871,422	903,290
5,360	First Quantum Minerals Ltd.	417,060	376,808
4,250	Potash Corporation of Saskatchewan Inc.	661,508	998,623
12,090	Teck Cominco Ltd. Class B	432,472	591,685
		2,659,174	3,250,101
Industrials – 3.6%			
84,210	Bombardier Inc. Class B	583,568	617,259
11,030	Canadian National Railway Company	569,180	540,249
5,600	SNC-Lavalin Group Inc.	295,240	308,448
11,700	Westjet Airlines Ltd.	188,932	146,835
		1,636,920	1,612,791
Consumer Discretionary – 2.4%			
9,900	Rogers Communications Inc. Class B	379,385	391,644
21,530	Shaw Communications Inc. Class B	439,637	447,178
8,035	Tim Hortons Inc.	274,333	234,461
		1,093,355	1,073,283
Consumer Staples – 1.1%			
8,590	Shoppers Drug Mart Corporation	445,395	480,009
Financials – 8.9%			
13,190	Bank of Nova Scotia, The	643,117	615,577
6,330	Canadian Imperial Bank of Commerce	422,592	353,974
8,380	Great-West Lifeco Inc.	267,463	244,193
16,160	Manulife Financial Corporation	597,282	572,226
5,460	National Bank of Canada	288,233	275,512
7,490	Power Financial Corporation	269,065	248,144
18,190	Royal Bank of Canada	916,523	827,281
13,390	Toronto-Dominion Bank	896,905	857,897
		4,301,180	3,994,804
Information Technology – 1.6%			
5,925	Research in Motion Ltd.	577,740	709,163
Telecommunication Services – 0.6%			
6,680	Telus Corporation	301,323	284,434
Utilities – 0.9%			
7,800	Atco Ltd. Class I	413,995	405,444
	TOTAL CANADIAN EQUITIES	15,476,132	16,656,526
FOREIGN EQUITIES – 19.0%			
6,730	3M Company	524,450	477,111
7,840	Cisco Systems Inc.	186,209	185,987
7,510	Coach Inc.	236,139	220,822
4,970	ConocoPhillips	389,611	477,388
10,160	Corning Inc.	241,526	238,848
5,070	Express Scripts Inc.	353,297	324,318
6,850	Exxon Mobil Corporation	580,182	613,677
11,920	Forest Laboratories Inc.	466,506	422,341
6,630	Gilead Sciences Inc.	354,860	358,044
19,540	Hercules Inc.	351,261	336,996
2,980	International Business Machines Corporation	322,412	359,579

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
500	KBW Bank ETF	15,347	14,442
2,840	KBW Regional Banking ETF	81,580	76,758
14,170	Kellogg Company	721,758	693,115
5,850	Laboratory Corporation of America Holdings	458,201	415,441
11,260	Marriott International Inc. Class A	381,759	300,997
14,250	McGraw-Hill Companies Inc.	589,322	582,214
17,550	Microsoft Corporation	513,124	492,407
6,070	Nordstrom Inc.	229,203	187,581
3,310	Nucor Corporation	222,698	252,076
4,970	Occidental Petroleum Corporation	353,920	455,085
17,630	Pitney Bowes Inc.	650,463	611,887
7,730	Wal-Mart Stores Inc.	394,586	442,203
	TOTAL FOREIGN EQUITIES	8,618,414	8,539,317
	TOTAL EQUITIES	24,094,546	25,195,843
BONDS AND DEBENTURES – 33.7%			
Federal Bonds – 1.3%			
550,000	Canada Housing Trust 4.65% due Sep. 15, 2009	560,868	558,089
Mortgage-Backed Securities – 2.6%			
50,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	50,548	49,607
200,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2039	192,169	187,726
200,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2039	193,173	189,004
200,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2039	190,181	186,544
200,000	Real Estate Asset Liquidity Trust 4.78% due Apr. 12, 2023	189,439	185,635
200,000	Schooner Trust 4.36% due Sep. 12, 2020	186,342	184,118
200,000	Schooner Trust 5.19% due Jun. 12, 2022	192,278	190,592
		1,194,130	1,173,226
Provincial Bonds – 1.8%			
800,000	Province of Ontario 4.50% due Mar. 8, 2015	810,560	814,309
Corporate Bonds – 28.0%			
200,000	407 ETR International Inc. 4.90% due Oct. 4, 2010	203,287	202,480
300,000	American Express Canada 5.90% due Apr. 2, 2013	300,316	301,581
150,000	American International Group Inc. 4.90% due Jun. 2, 2014	147,439	139,098
300,000	Bank of America Corporation 5.45% due Sep. 17, 2014	305,896	302,818
200,000	Bank of Ireland (callable) 3.80% due Sep. 22, 2015-(2010)	196,214	193,973
200,000	Bank of Montreal 5.04% due Sep. 4, 2012	201,601	201,012
200,000	Bank of Montreal 5.45% due Jul. 17, 2017	201,338	200,855
50,000	Bell Canada 6.15% due Jun. 15, 2009	51,326	50,629
200,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	198,919	197,867
200,000	Cameco Corporation 4.70% due Sep. 16, 2015	190,565	191,459
400,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	401,642	399,615

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Cassels Advantaged Income Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
200,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	203,744	202,800
100,000	Canadian Natural Resources Ltd. 4.95% due Jun. 1, 2015	96,689	97,013
500,000	Canadian Pacific Railway Ltd. 6.25% due Jun. 1, 2018	496,695	499,334
100,000	Caterpillar Financial Services Ltd. 4.34% due Dec. 6, 2010	100,080	99,390
100,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	100,778	100,063
200,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	178,830	174,438
200,000	EnCana Corporation 4.30% due Mar. 12, 2012	196,679	196,414
200,000	EnCana Corporation 5.80% due Jan. 18, 2018	200,600	202,190
100,000	Epcor Utilities Inc. 6.95% due Jun. 28, 2010	106,203	104,303
300,000	Epcor Utilities Inc. 6.60% due Nov. 1, 2011	319,419	314,303
500,000	Finning International Inc. 6.02% due Jun. 1, 2018	499,680	501,700
200,000	General Electric Capital Canada Funding Company 5.53% due Aug. 17, 2017	201,236	198,118
400,000	Genesis Trust 4.00% due Mar. 15, 2010	397,205	396,186
400,000	Golden Credit Card Trust 4.25% due Feb. 15, 2011	396,240	395,193
200,000	Goldman Sachs Group Inc. 4.80% due Jun. 1, 2011	198,379	197,974
400,000	Greater Toronto Airports Authority 6.25% due Jan. 30, 2012	425,699	422,388
400,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	410,260	405,434
400,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	398,080	397,807
200,000	ING Bank of Canada (callable) 4.30% due Dec. 5, 2016-(2011)	196,208	194,019
150,000	John Deere Credit Inc. 5.25% due Oct. 18, 2010	153,091	151,896
100,000	Landsbanki Islands HF 4.40% due Jan. 18, 2010	101,136	100,696
400,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	399,889	397,542
300,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	298,072	296,096
100,000	Morgan Stanley 4.50% due Feb. 23, 2012	95,802	94,235
200,000	Morgan Stanley 4.90% due Feb. 23, 2017	179,810	176,874
200,000	National Australia Bank Ltd. (callable) 4.55% due Sep. 21, 2016-(2011)	199,531	193,635
200,000	National Bank of Canada (callable) 4.46% due Nov. 2, 2016-(2011)	195,284	195,250
300,000	NAV Canada 4.71% due Feb. 24, 2016	303,927	300,630
500,000	Omers Realty Corporation 4.09% due Jun. 4, 2013	499,985	492,693
200,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	206,906	205,032
400,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	404,477	399,308
200,000	Royal Bank of Scotland (callable) 4.25% due Mar. 30, 2015-(2010)	197,655	197,154
150,000	Shaw Communications Inc. 7.50% due Nov. 20, 2013	162,547	158,482
300,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	293,447	294,474
400,000	Suncor Energy Inc. 5.80% due May 22, 2018	399,700	397,888
300,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	279,718	268,416
200,000	Toyota Credit Canada Inc. 5.05% due Jul. 27, 2012	206,734	204,384
100,000	TransAlta Corporation 6.60% due Oct. 13, 2009	103,391	101,952
400,000	Wells Fargo Financial Canada Corporation 4.45% due Feb. 28, 2011	399,965	397,168
		12,602,314	12,504,259
	TOTAL BONDS AND DEBENTURES	15,167,872	15,049,883
SHORT-TERM NOTES – 11.4%			
5,135,000	Government of Canada Treasury Bills 2.46% to 2.81% due from Jul. 4, 2008 to Oct. 16, 2008	5,103,220	5,109,401
	TOTAL INVESTMENT PORTFOLIO	44,365,638	45,355,127
	OTHER ASSETS, LESS LIABILITIES – (1.4%)		(645,281)
	TOTAL NET ASSETS – 100.0%		44,709,846

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Aug 14, 2008	Canadian Dollar	5,414,256	U.S. Dollar	5,400,000	5,517,241	(102,985)
Aug 14, 2008	Canadian Dollar	2,257,133	U.S. Dollar	2,250,000	2,298,851	(41,718)
Aug 14, 2008	Canadian Dollar	395,060	U.S. Dollar	400,000	408,685	(13,625)
Aug 14, 2008	Canadian Dollar	347,830	U.S. Dollar	350,000	357,599	(9,769)
Aug 14, 2008	Canadian Dollar	560,434	U.S. Dollar	550,000	561,941	(1,508)
Aug 14, 2008	U.S. Dollar	750,000	Canadian Dollar	738,840	737,537	27,387
					9,881,854	(142,218)

The currency forward contracts outstanding at June 30, 2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

The accompanying notes are an integral part of the financial statements

Scotia Cassels Advantaged Income Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels Advantaged Income Fund (the "Fund") is to provide regular high monthly distributions from dividends, realized capital gains, other income and a return of capital, as well as some capital appreciation. It invests primarily in a broad range of Canadian equity and fixed income securities.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	275,355	0.6
Total	275,355	0.6

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008, if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $27,536 (approximately 0.1% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $123,033 (approximately 0.3% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	50,629	4,099,961	4,408,665	6,490,628	0	15,049,883

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	24.7	8.3
AA	39.4	13.3
A	26.8	9.0
BBB	8.4	2.8
Unrated	0.7	0.2
Total	100.0	33.6

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $3,023,501 (approximately 6.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Cassels Canadian Corporate Bond Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$1,512,817,861	$1,247,944,744
Cash	106,556	76,808
Accrued investment income	15,527,078	11,583,386
Receivable for securities sold	2,074,403	–
Subscriptions receivable	64,588	–
	1,530,590,486	1,259,604,938
LIABILITIES		
Payable for securities purchased	29,271,955	–
Distributions payable	191,368	707
Redemptions payable	39,885	–
Accrued expenses	92,163	89,168
	29,595,371	89,875
Net assets	$1,500,995,115	$1,259,515,063
NET ASSETS PER CLASS		
Class I Units	$ 185,030,048	$ –
Scotia Private Client Units	$1,315,965,067	$1,259,515,063
UNITS OUTSTANDING		
Class I Units	18,908,391	–
Scotia Private Client Units	134,446,371	128,840,505
NET ASSETS PER UNIT		
Class I Units	$ 9.79	$ –
Scotia Private Client Units	$ 9.79	$ 9.78

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Interest	$32,055,773	$ 16,181,800
Securities lending	9,170	2,274
	32,064,943	16,184,074
EXPENSES		
Management fees (note 4)	449,073	234,396
Audit fees	10,517	8,520
Custodian fees	41,235	22,526
Filing fees	10,279	7,062
Legal fees	2,996	1,374
Unitholder reporting	4,198	2,117
Unitholder administration, service fees and GST	45,768	33,434
	564,066	309,429
Absorbed expenses	(9,720)	(4,687)
	554,346	304,742
Net investment income (loss)	31,510,597	15,879,332
Net realized gain (loss) on investments sold	4,490,990	(4,042,066)
Change in unrealized appreciation (depreciation) of investments	(2,190,014)	(13,642,558)
Net gain (loss) on investments and transaction costs	2,300,976	(17,684,624)
Increase (decrease) in net assets from operations	$33,811,573	$ (1,805,292)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class I Units+	$ (619,452)	$ –
Scotia Private Client Units	$34,431,025	$ (1,805,292)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Class I Units+	$ (0.03)	$ –
Scotia Private Client Units	$ 0.26	$ (0.03)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	$1,259,515,063	$648,105,338
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Class I Units+	(619,452)	–
Scotia Private Client Units	34,431,025	(1,805,292)
	33,811,573	(1,805,292)
DISTRIBUTIONS TO UNITHOLDERS		
From net investment income		
Class I Units+	(744,020)	–
Scotia Private Client Units	(33,290,077)	(17,038,089)
	(34,034,097)	(17,038,089)
UNIT TRANSACTIONS		
Proceeds from issue		
Class I Units+	185,804,924	–
Scotia Private Client Units	171,814,556	100,781,912
Reinvested distributions		
Class I Units+	743,886	–
Scotia Private Client Units	32,450,492	16,926,293
Payments on redemption		
Class I Units+	(155,290)	–
Scotia Private Client Units	(148,955,992)	(66,983,722)
	241,702,576	50,724,483
INCREASE (DECREASE) IN NET ASSETS		
Class I Units+	185,030,048	–
Scotia Private Client Units	56,450,004	31,881,102
	241,480,052	31,881,102
TOTAL NET ASSETS – END OF PERIOD		
Class I Units+	185,030,048	–
Scotia Private Client Units	1,315,965,067	679,986,440
	$1,500,995,115	$679,986,440

+Start date June 9, 2008

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Corporate Bond Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
BONDS AND DEBENTURES – 99.3%			
Federal Bonds – 0.4%			
6,000,000	Canada Housing Trust 4.65% due Sep. 15, 2009	6,100,361	6,088,240
Mortgage-Backed Securities – 9.4%			
2,850,000	Merrill Lynch Financial Assets Inc. 5.44% due Mar. 12, 2036	2,837,602	2,827,599
22,500,000	Merrill Lynch Financial Assets Inc. 4.83% due Feb. 12, 2039	21,970,380	21,119,175
25,000,000	Merrill Lynch Financial Assets Inc. 4.98% due Jun. 12, 2039	24,752,550	23,625,500
25,000,000	Merrill Lynch Financial Assets Inc. 4.81% due Oct. 12, 2039	24,602,979	23,318,000
25,000,000	Real Estate Asset Liquidity Trust 4.78% due Apr. 12, 2023	24,532,692	23,204,365
25,210,000	Schooner Trust 4.36% due Sep. 12, 2020	24,299,505	23,208,074
25,000,000	Schooner Trust 5.19% due Jun. 12, 2022	24,422,708	23,824,000
		147,418,416	141,126,713
Provincial Bonds – 3.4%			
50,000,000	Province of Ontario 4.50% due Mar. 8, 2015	50,907,626	50,894,296
Corporate Bonds – 86.1%			
15,900,000	407 ETR International Inc. 4.90% due Oct. 4, 2010	15,892,050	16,097,123
29,800,000	American Express Canada 5.90% due Apr. 2, 2013	29,765,134	29,957,042
26,850,000	American International Group Inc. 4.90% due Jun. 2, 2014	26,636,006	24,898,588
35,000,000	Bank of America Corporation 5.45% due Sep. 17, 2014	35,008,412	35,328,727
29,800,000	Bank of Ireland (callable) 3.80% due Sep. 22, 2015-(2010)	28,962,779	28,901,917
15,000,000	Bank of Montreal 5.04% due Sep. 4, 2012	15,016,500	15,075,921
22,000,000	Bank of Montreal 5.45% due Jul. 17, 2017	21,931,612	22,094,092
9,950,000	Bell Canada 6.15% due Jun. 15, 2009	10,416,536	10,075,167
37,000,000	Brascan Power Corporation 4.65% due Dec. 16, 2009	36,866,052	36,605,338
14,900,000	Cameco Corporation 4.70% due Sep. 16, 2015	14,949,617	14,263,706
37,000,000	Canadian Imperial Bank of Commerce 5.00% due Sep. 10, 2012	36,920,895	36,964,485
19,000,000	Canadian Natural Resources Ltd. 5.50% due Dec. 17, 2010	19,068,902	19,266,042
17,900,000	Canadian Natural Resources Ltd. 4.95% due Jun. 1, 2015	17,466,333	17,365,296
29,500,000	Canadian Pacific Railway Ltd. 6.25% due Jun. 1, 2018	29,305,005	29,460,717
14,900,000	Caterpillar Financial Services Ltd. 4.34% due Dec. 6, 2010	14,895,977	14,809,090
22,000,000	Caterpillar Financial Services Ltd. 4.94% due Jun. 1, 2012	21,923,579	22,013,863
35,000,000	Citigroup Inc. (callable) 4.65% due Oct. 11, 2022-(2017)	33,016,067	30,526,567
20,000,000	EnCana Corporation 4.30% due Mar. 12, 2012	19,868,092	19,641,373
17,000,000	EnCana Corporation 5.80% due Jan. 18, 2018	17,050,213	17,186,142
20,000,000	Epcor Utilities Inc. 6.95% due Jun. 28, 2010	21,005,129	20,860,672
13,900,000	Epcor Utilities Inc. 6.60% due Nov. 1, 2011	14,737,753	14,562,689
35,000,000	Finning International Inc. 6.02% due Jun. 1, 2018	34,977,600	35,118,966
34,800,000	General Electric Capital Canada Funding Company 5.53% due Aug. 17, 2017	34,914,596	34,472,515
37,000,000	Genesis Trust 4.00% due Mar. 15, 2010	36,626,057	36,647,238
37,000,000	Golden Credit Card Trust 4.25% due Feb. 15, 2011	36,253,577	36,555,356
12,300,000	Goldman Sachs Group Inc. 4.80% due Jun. 1, 2011	12,340,882	12,175,425
32,000,000	Greater Toronto Airports Authority 6.25% due Jan. 30, 2012	33,446,692	33,791,000
37,000,000	Honda Canada Finance Inc. 5.68% due Sep. 26, 2012	37,159,651	37,502,621
37,000,000	HSBC Financial Corporation Ltd. 4.80% due Apr. 13, 2011	36,650,346	36,797,169
17,900,000	ING Bank of Canada (callable) 4.30% due Dec. 5, 2016-(2011)	17,881,742	17,364,708
27,850,000	John Deere Credit Inc. 5.25% due Oct. 18, 2010	27,895,018	28,202,051
14,900,000	Landsbanki Islands HF 4.40% due Jan. 18, 2010	14,871,690	15,003,775
37,000,000	Manulife Financial Corporation 4.67% due Mar. 28, 2013	36,855,095	36,772,665
32,000,000	Master Credit Card Trust 4.44% due Nov. 21, 2011	31,877,680	31,583,603
17,900,000	Morgan Stanley 4.50% due Feb. 23, 2012	16,865,509	16,867,982
10,000,000	Morgan Stanley 4.90% due Feb. 23, 2017	9,316,436	8,843,691
26,850,000	National Australia Bank Ltd. (callable) 4.55% due Sep. 21, 2016-(2011)	26,530,982	25,995,500
16,900,000	National Bank of Canada (callable) 4.46% due Nov. 2, 2016-(2011)	16,767,096	16,498,603
22,210,000	NAV Canada 4.71% due Feb. 24, 2016	22,257,966	22,256,604
28,000,000	Omers Realty Corporation 4.09% due Jun. 4, 2013	27,999,160	27,590,816
21,780,000	Renaissance Energy Ltd. 6.95% due Jul. 14, 2009	23,269,751	22,327,934
37,000,000	Royal Bank of Canada 4.97% due Jun. 5, 2014	36,375,819	36,935,969
19,900,000	Royal Bank of Scotland (callable) 4.25% due Mar. 30, 2015-(2010)	19,706,808	19,616,856
24,850,000	Shaw Communications Inc. 7.50% due Nov. 20, 2013	27,225,660	26,255,231
37,000,000	Sun Life Financial Services Inc. (callable) 4.95% due Jun. 1, 2036-(2016)	36,862,697	36,318,438
37,000,000	Suncor Energy Inc. 5.80% due May 22, 2018	36,968,705	36,804,619
38,000,000	Toronto-Dominion Bank (callable) 4.78% due Dec. 14, 2105-(2016)	36,546,538	33,999,403
37,000,000	Toyota Credit Canada Inc. 5.05% due Jul. 27, 2012	37,275,152	37,811,100
19,900,000	TransAlta Corporation 6.60% due Oct. 13, 2009	20,807,405	20,288,504
17,000,000	Wells Fargo Financial Canada Corporation 4.45% due Feb. 28, 2011	16,896,724	16,879,653
20,000,000	Wells Fargo Financial Canada Corporation 4.38% due Jun. 30, 2015	19,251,731	19,063,350
		1,303,377,408	1,292,295,902
	TOTAL BONDS AND DEBENTURES	1,507,803,811	1,490,405,151
SHORT-TERM NOTES – 1.5%			
22,425,000	Government of Canada Treasury Bills 2.19% to 2.40% due July 10, 2008	22,409,837	22,412,710
	TOTAL INVESTMENT PORTFOLIO	1,530,213,648	1,512,817,861
	OTHER ASSETS, LESS LIABILITIES -(0.8%)		(11,822,746)
	TOTAL NET ASSETS – 100.0%		1,500,995,115

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Corporate Bond Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels Canadian Corporate Bond Fund (the "Fund") is to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds issued by Canadian corporations.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately $16,133,636 (approximately 1.1% of the Fund's net assets). The Fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the bond portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

($)	Less than 1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Interest Rate Exposure	10,075,167	387,122,385	419,993,971	673,213,628	0	1,490,405,151

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

As of June 30, 2008 debt securities by credit rating are as follows:

	Percentage of Total Bonds (%)	Percentage of Total Net Assets (%)
AAA	23.6	23.4
AA	39.2	38.9
A	26.2	26.0
BBB	10.0	9.9
Unrated	1.0	1.0
Total	100.0	99.2

Scotia Cassels Canadian Equity Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$128,155,183	$112,842,241
Cash	88,706	92,111
Accrued investment income	234,105	216,372
Receivable for securities sold	509,589	16,895
Subscriptions receivable	–	151,368
	128,987,583	113,318,987
LIABILITIES		
Payable for securities purchased	15,276	–
Redemptions payable	–	45,562
Accrued expenses	17,030	26,025
	32,306	71,587
Net assets	$128,955,277	$113,247,400
NET ASSETS PER CLASS		
Scotia Private Client Units	$128,955,277	$113,247,400
UNITS OUTSTANDING		
Scotia Private Client Units	9,789,574	9,061,682
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 13.17	$ 12.50

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$1,116,626	$ 699,615
Interest	291,151	181,745
Capital gains distributions received	307	–
Securities lending	14,086	1,968
Foreign withholding taxes	(707)	(277)
	1,421,463	883,051
EXPENSES		
Management fees (note 4)	63,780	41,941
Audit fees	8,667	6,977
Custodian fees	11,736	6,983
Filing fees	6,976	6,825
Legal fees	2,996	1,374
Unitholder reporting	4,198	2,117
Unitholder administration, service fees and GST	24,935	20,863
	123,288	87,080
Absorbed expenses	(4,439)	(6,009)
	118,849	81,071
Net investment income (loss)	1,302,614	801,980
Net realized gain (loss) on investments sold	610,174	1,037,124
Net realized gain (loss) on foreign exchange	(1,361)	–
Transaction costs	(65,070)	(27,282)
Change in unrealized appreciation (depreciation) of investments	6,142,614	4,581,333
Net gain (loss) on investments and transaction costs	6,686,357	5,591,175
Increase (decrease) in net assets from operations	$7,988,971	$6,393,155
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	$7,988,971	$6,393,155
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	$ 0.79	$ 0.93

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	$113,247,400	$ 76,192,744
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	7,988,971	6,393,155
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	41,132,337	19,533,428
Payments on redemption		
Scotia Private Client Units	(33,413,431)	(13,141,226)
	7,718,906	6,392,202
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	15,707,877	12,785,357
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	$128,955,277	$ 88,978,101

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Equity Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 97.4%			
Energy – 23.1%			
49,640	Canadian Natural Resources Ltd.	3,206,560	5,005,698
73,334	EnCana Corporation	4,495,472	6,798,062
17,394	Ensign Resource Service Group Inc.	355,749	385,973
24,620	Husky Energy Inc.	927,395	1,189,392
21,891	Imperial Oil Ltd.	979,940	1,221,737
35	iUnits S&P/TSX Put Options $108.67 Jul. 19, 2008	8,680	5,784
(35)	iUnits S&P/TSX Written Call Options $118.28 Jul. 19, 2008	(8,680)	(2,352)
5,503	Major Drilling Group International Inc.	286,231	275,150
80,510	Nexen Inc.	2,483,054	3,256,630
29,950	Opti Canada Inc.	534,443	691,845
48,170	Petro-Canada	2,478,502	2,705,709
14,298	Petrobank Energy & Resources Ltd.	690,340	757,222
95,140	Suncor Energy Inc.	4,351,776	5,621,823
87,130	Talisman Energy Inc.	1,724,406	1,967,395
		22,513,868	29,880,068
Materials – 18.5%			
12,440	Agnico-Eagle Mines Ltd.	613,472	944,445
13,070	Agrium Inc.	676,376	1,432,211
90,176	Barrick Gold Corporation	3,433,418	4,099,401
26,641	Cameco Corporation	1,146,384	1,164,478
77,659	Goldcorp Inc.	2,441,029	3,545,133
25,480	Hudbay Minerals Inc.	546,214	361,052
5,487	Inmet Mining Corporation	429,404	370,373
2,187	iUnits S&P/TSX Cap Gold Index	159,784	193,046
17,600	Kinross Gold Corporation	269,211	416,064
25,850	Potash Corporation of Saskatchewan Inc.	2,136,841	6,073,975
22,510	Sherritt International Corporation	301,844	345,303
71,260	Teck Cominco Ltd. Class B	2,725,984	3,487,464
88,533	Yamana Gold Inc.	1,263,762	1,490,010
		16,143,723	23,922,955
Industrials – 6.4%			
212,553	Bombardier Inc. Class B	1,106,501	1,558,013
63,640	CAE Inc.	688,015	733,133
57,295	Canadian National Railway Company	2,895,655	2,806,309
19,550	Canadian Pacific Railway Ltd.	1,222,491	1,317,866
17,380	Finning International Inc.	418,630	443,016
8,440	Macdonald Dettwiler & Associates Ltd.	376,772	319,116
18,530	SNC-Lavalin Group Inc.	666,479	1,020,632
		7,374,543	8,198,085
Consumer Discretionary – 7.0%			
12,840	Astral Media Inc. Class A	500,922	411,008
13,592	Canadian Tire Corporation Ltd. Class A	914,676	718,745
10,940	Gildan Activewear Inc.	430,355	284,112
21,200	Magna International Inc. Class A	1,829,111	1,286,416
80,980	Rogers Communications Inc. Class B	2,697,213	3,203,569
36,030	Shaw Communications Inc. Class B	847,146	748,343
46,988	Thomson Reuters Corporation	1,939,239	1,539,327
26,430	Tim Hortons Inc.	921,261	771,227
		10,079,923	8,962,747
Consumer Staples – 2.5%			
39,850	Saputo Inc.	842,837	1,154,853
26,450	Saskatchewan Wheat Pool Inc.	299,921	369,771
29,760	Shoppers Drug Mart Corporation	1,417,147	1,662,989
		2,559,905	3,187,613
Financials – 25.0%			
43,820	Bank of Montreal	2,717,869	1,857,968
69,020	Bank of Nova Scotia, The	3,447,209	3,221,163

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
57,020	Brookfield Asset Management Inc. Class A	1,790,012	1,887,362
31,180	Canadian Imperial Bank of Commerce	2,633,090	1,743,586
36,560	Great-West Lifeco Inc.	1,154,947	1,065,358
61	iUnits Canadian S&P/TSX Capped Energy Index Put Options $105.00 Jul. 18, 2008	16,226	4,040
67	iUnits Canadian S&P/TSX Capped Energy Index Put Options $110.00 Jul. 19, 2008	15,276	14,405
138,870	Manulife Financial Corporation	5,175,653	4,917,387
91,000	Power Corporation of Canada	3,122,936	2,816,450
144,340	Royal Bank of Canada	7,138,445	6,564,583
61,450	Sun Life Financial Services of Canada Inc.	2,970,145	2,565,538
88,820	Toronto-Dominion Bank	5,793,296	5,690,697
		35,975,104	32,348,537
Information Technology – 4.6%			
66,700	Nortel Networks Corporation	662,495	556,945
10,200	Open Text Corporation	351,637	332,826
41,930	Research in Motion Ltd.	2,911,441	5,018,602
		3,925,573	5,908,373
Telecommunication Services – 2.3%			
52,224	BCE Inc.	1,843,682	1,856,563
25,840	Telus Corporation	1,299,703	1,100,267
		3,143,385	2,956,830
Utilities – 3.9%			
45,810	Enbridge Inc.	1,666,628	2,017,014
25,050	TransAlta Corporation	678,484	900,548
52,740	TransCanada Corporation	1,942,011	2,075,319
		4,287,123	4,992,881
Income Trust Units – 4.1%			
11,750	Bonavista Energy Trust	352,165	440,038
66,890	Canadian Oil Sands Trust	2,122,688	3,658,214
27,080	Precision Drilling Trust	781,405	744,429
49,330	Yellow Pages Income Fund	715,412	436,077
		3,971,670	5,278,758
	TOTAL EQUITIES	109,974,817	125,636,847
SHORT-TERM NOTES – 2.0%			
2,535,000	Government of Canada Treasury Bills 2.50% to 2.75% due from Sep. 4, 2008 to Oct. 16, 2008	2,516,598	2,518,336
	TOTAL INVESTMENT PORTFOLIO	112,491,415	128,155,183
	OTHER ASSETS, LESS LIABILITIES – 0.6%		800,094
	TOTAL NET ASSETS – 100.0%		128,955,277

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Cassels Canadian Equity Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels Canadian Equity Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the Fund did not have a significant exposure to currency risk.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $11,558,590 (approximately 9.0% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Cassels North American Equity Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$436,605,541	$423,357,770
Cash	174,187	144,087
Accrued investment income	784,548	698,064
	437,564,276	424,199,921
LIABILITIES		
Payable for securities purchased	181,209	–
Distributions payable	–	937
Accrued expenses	49,040	55,386
	230,249	56,323
Net assets	$437,334,027	$424,143,598
NET ASSETS PER CLASS		
Scotia Private Client Units	$437,334,027	$424,143,598
UNITS OUTSTANDING		
Scotia Private Client Units	37,712,506	37,131,564
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 11.60	$ 11.42

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$4,420,816	$ 3,524,707
Interest	682,451	317,705
Capital gains distributions received	2,375	1,996
Securities lending	48,469	8,062
Foreign withholding taxes	(197,716)	(121,681)
	4,956,395	3,730,789
EXPENSES		
Management fees (note 4)	213,393	173,524
Audit fees	8,924	8,097
Custodian fees	21,694	18,118
Filing fees	7,222	7,019
Legal fees	2,996	1,374
Unitholder reporting	4,198	2,117
Unitholder administration, service fees and GST	32,927	29,493
	291,354	239,742
Absorbed expenses	(4,484)	(2,871)
	286,870	236,871
Net investment income (loss)	4,669,525	3,493,918
Net realized gain (loss) on investments sold	(643,056)	9,718,743
Net realized gain (loss) on foreign exchange	46,891	(6,549)
Transaction costs	(507,784)	(256,523)
Change in unrealized appreciation (depreciation) of investments	3,161,896	1,504,343
Net gain (loss) on investments and transaction costs	2,057,947	10,960,014
Increase (decrease) in net assets from operations	$6,727,472	$14,453,932
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	$6,727,472	$14,453,932
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	$ 0.18	$ 0.48

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	$424,143,598	$326,733,700
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	6,727,472	14,453,932
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	76,419,735	73,053,915
Payments on redemption		
Scotia Private Client Units	(69,956,778)	(37,095,306)
	6,462,957	35,958,609
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	13,190,429	50,412,541
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	$437,334,027	$377,146,241

The accompanying notes are an integral part of the financial statements

Scotia Cassels North American Equity Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 97.7%			
CANADIAN EQUITIES – 68.6%			
Energy – 14.1%			
185,850	Canadian Natural Resources Ltd.	11,434,500	18,741,114
(200)	Canadian Oil Sands Ltd. Written Call Options $52.00 Jul. 18, 2008	(35,400)	(76,000)
110,400	EnCana Corporation	6,496,784	10,234,080
248,440	Opti Canada Inc.	4,151,201	5,738,964
329,610	Petro-Canada	14,996,946	18,514,194
(500)	Petro-Canada Written Call Options $58.00 Jul.18, 2008	(92,500)	(60,000)
145,370	Suncor Energy Inc.	7,692,739	8,589,913
		44,644,270	61,682,265
Materials – 10.6%			
71,980	Agnico-Eagle Mines Ltd.	4,434,199	5,464,722
170,370	Agrium Inc.	10,390,447	18,669,145
(500)	Agrium Inc. Written Call Options $120.00 Jul. 18, 2008	(215,000)	(82,500)
(500)	Agrium Inc. Written Call Options $125.00 Jul. 18, 2008	(75,000)	(45,000)
125,820	Cameco Corporation	4,092,118	5,499,592
342,600	Teck Cominco Ltd. Class B	13,394,182	16,766,843
		32,020,946	46,272,802
Industrials – 3.2%			
288,420	Canadian National Railway Company	12,882,655	14,126,812
Consumer Discretionary – 3.3%			
209,260	Rogers Communications Inc. Class B	8,464,933	8,278,326
183,200	Thomson Reuters Corporation	8,159,085	6,001,632
		16,624,018	14,279,958
Financials – 21.5%			
675,260	Manulife Financial Corporation	22,214,250	23,910,957
456,150	Power Financial Corporation	16,084,251	15,112,250
555,990	Royal Bank of Canada	23,440,527	25,286,423
463,460	Toronto-Dominion Bank	27,860,468	29,693,881
		89,599,496	94,003,511
Information Technology – 2.9%			
105,530	Research in Motion Ltd.	8,493,200	12,630,886
Telecommunication Services – 3.8%			
229,760	BCE Inc.	7,897,234	8,167,968
199,180	Telus Corporation	11,703,668	8,481,084
		19,600,902	16,649,052
Utilities – 2.8%			
310,840	TransCanada Corporation	10,777,809	12,231,554
Income Trust Units – 6.4%			
383,000	Canadian Oil Sands Trust	15,726,948	20,946,269
807,310	Yellow Pages Income Fund	8,848,986	7,136,620
		24,575,934	28,082,889
	TOTAL CANADIAN EQUITIES	259,219,230	299,959,729
FOREIGN EQUITIES – 29.1%			
United States – 29.1%			
95,890	3M Company	7,851,338	6,797,942
216,490	AT&T Inc.	8,206,853	7,416,597
56,000	Becton, Dickinson and Company	4,753,525	4,641,679
82,630	Boeing Company	7,702,196	5,537,657
428,100	Cisco Systems Inc.	13,413,292	10,155,745
75,610	Colgate-Palmolive Company	5,690,813	5,322,443
144,790	ConocoPhillips	11,141,480	13,907,661
209,640	CVS Caremark Corporation	8,134,116	8,449,829
100,200	Exelon Corporation	8,262,489	9,185,179
9,200	Google Inc.	4,336,932	4,939,432
166,230	Johnson & Johnson	11,854,402	10,896,187

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES (cont'd)			
FOREIGN EQUITIES (cont'd)			
United States (cont'd)			
95,640	JPMorgan Chase & Company	4,133,720	3,346,703
112,340	McDonald's Corporation	6,427,041	6,434,553
96,060	Metlife Inc.	6,154,806	5,159,175
640,910	Micron Technology Inc.	6,132,488	3,908,905
(1,000)	Micron Technology Inc. Written Call Options $9.00 Jul. 18, 2008	(43,737)	(5,099)
210,380	Microsoft Corporation	6,360,398	5,902,716
109,840	PepsiCo Inc.	7,412,101	7,122,589
84,730	Praxair Inc.	5,858,015	8,134,336
(200)	Praxair Inc. Written Call Options $100.00 Jul. 18, 2008	(33,453)	(15,298)
300	S&P 500 Depository Receipts Put Options $133.00 Jul. 18, 2008	180,292	166,753
	TOTAL FOREIGN EQUITIES	133,929,107	127,405,684
	TOTAL EQUITIES	393,148,337	427,365,413
SHORT-TERM NOTES – 2.1%			
500,000	Government of Canada Treasury Bills 2.14% to 2.68% due from Sep. 19, 2008 to Oct. 2, 2008	500,411	501,416
3,700,000 (US)	Canadian Wheat Board Commercial Paper 2.15% due Aug. 21, 2008	3,738,715	3,762,177
4,905,000 (US)	Export Development Corporation Commercial Paper 2.06% to 2.20% due from Sep. 15, 2008 to Sep. 25, 2008	4,969,727	4,976,535
		9,208,853	9,240,128
	TOTAL INVESTMENT PORTFOLIO	402,357,190	436,605,541
	OTHER ASSETS, LESS LIABILITIES – 0.2%		728,486
	TOTAL NET ASSETS – 100.0%		437,334,027

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels North American Equity Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels North American Equity Fund (the "Fund") is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008 the fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	136,414,988	31.2
Total	136,414,988	31.2

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $13,641,499 (approximately 3.1% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008 the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $40,172,349 (approximately 9.2% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Cassels U.S. Equity Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$ 98,792,597	$52,487,447
Cash	1,517,657	100,248
Accrued investment income	63,591	60,637
Receivable for securities sold	3,586,174	5,839,639
Subscriptions receivable	–	207,500
	103,960,019	58,695,471
LIABILITIES		
Payable for securities purchased	2,648,306	6,885,528
Distributions payable	–	37
Redemptions payable	–	12,859
Accrued expenses	14,327	15,545
	2,662,633	6,913,969
Net assets	$101,297,386	$51,781,502
NET ASSETS PER CLASS		
Scotia Private Client Units	$101,297,386	$51,781,502
UNITS OUTSTANDING		
Scotia Private Client Units	10,444,237	4,992,840
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 9.70	$ 10.37

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 681,876	$ 384,288
Interest	46,452	47,059
Securities lending	1,506	25
Foreign withholding taxes	(101,283)	(40,406)
	628,551	390,966
EXPENSES		
Management fees (note 4)	42,441	17,352
Audit fees	8,669	4,201
Custodian fees	14,292	5,390
Filing fees	6,927	6,812
Legal fees	2,996	1,374
Unitholder reporting	4,198	2,117
Unitholder administration, service fees and GST	23,996	19,125
	103,519	56,371
Absorbed expenses	(4,596)	(1,826)
	98,923	54,545
Net investment income (loss)	529,628	336,421
Net realized gain (loss) on investments sold	(1,781,918)	159,253
Net realized gain (loss) on foreign exchange	(21,714)	(107,046)
Transaction costs	(202,908)	(33,028)
Change in unrealized appreciation (depreciation) of investments	(1,768,671)	(1,352,970)
Net gain (loss) on investments and transaction costs	(3,775,211)	(1,333,791)
Increase (decrease) in net assets from operations	$(3,245,583)	$ (997,370)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	$(3,245,583)	$ (997,370)
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	$ (0.38)	$ (0.32)

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	$ 51,781,502	$29,541,692
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	(3,245,583)	(997,370)
Proceeds from issue		
Scotia Private Client Units	65,618,674	13,735,289
Payments on redemption		
Scotia Private Client Units	(12,857,207)	(1,980,714)
	52,761,467	11,754,575
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	49,515,884	10,757,205
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	$101,297,386	$40,298,897

The accompanying notes are an integral part of the financial statements

Scotia Cassels U.S. Equity Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES – 94.3%			
Energy – 13.2%			
31,333	Chesapeake Energy Corporation	1,345,432	2,107,849
20,566	Chevron Corporation	1,780,551	2,077,177
27,750	ConocoPhillips	2,464,958	2,665,499
70	Energy Select Sector Put Options $84.00 Jul. 19, 2008	21,846	6,068
29,727	Exxon Mobil Corporation	2,559,890	2,663,178
14,546	Hess Corporation	1,430,739	1,871,936
12,824	Transocean Inc.	1,622,422	1,990,389
		11,225,838	13,382,096
Materials – 2.5%			
6,364	Freeport-McMoran Copper & Gold Inc. Class B	577,671	760,637
12,503	Nucor Corporation	820,749	952,176
9,122	Praxair Inc.	709,775	875,740
		2,108,195	2,588,553
Industrials – 9.2%			
24,185	Deere & Company	1,850,544	1,779,176
18,199	Eaton Corporation	1,616,236	1,577,139
15,090	Flowserve Corporation	1,651,606	2,097,385
40,669	Honeywell International Inc.	2,302,046	2,083,037
18,045	Lockheed Martin Corporation	1,903,737	1,813,904
		9,324,169	9,350,641
Consumer Discretionary – 8.2%			
33,898	McDonald's Corporation	1,893,557	1,941,592
40,550	McGraw-Hill Companies Inc.	1,641,232	1,656,756
45,237	Snap-On Inc.	2,115,463	2,399,131
71,132	Walt Disney Company	2,295,669	2,260,577
		7,945,921	8,258,056
Consumer Staples – 10.4%			
28,988	Colgate-Palmolive Company	2,119,412	2,040,563
54,455	CVS Caremark Corporation	2,094,689	2,194,884
27,082	Kellogg Company	1,400,231	1,324,698
24,170	Molson Coors Brewing Company Class B	1,280,369	1,339,286
32,733	PepsiCo Inc.	2,269,007	2,122,576
29,373	Philip Morris International Inc.	1,570,726	1,477,502
		10,734,434	10,499,509
Health Care – 11.9%			
33,751	Abbott Laboratories	1,847,188	1,819,578
35,232	Baxter International Inc.	2,092,190	2,294,685
45,748	Eli Lilly & Company	2,376,129	2,150,481
27,059	Express Scripts Inc.	1,899,369	1,730,911
58,583	Forest Laboratories Inc.	2,174,595	2,075,670
36,124	Gilead Sciences Inc.	1,637,539	1,950,826
		12,027,010	12,022,151
Financials – 13.3%			
43,243	Bank of New York Company Inc.	1,918,676	1,667,552
29,990	Chubb Corporation	1,560,081	1,499,056
11,963	Goldman Sachs Group Inc.	2,200,983	2,128,106
30,872	Host Hotels & Resorts Inc.	517,513	429,473
41,779	JPMorgan Chase & Company	1,863,365	1,461,960
390	KBW Bank ETF	11,829	11,265
37,350	KBW Regional Banking ETF	1,073,885	1,009,470
31,457	Lincoln National Corporation	1,829,976	1,450,790
35,890	Morgan Stanley	1,797,511	1,318,481
47,637	Wells Fargo & Company	1,441,339	1,150,004
41,160	Zions Bancorporation	1,907,604	1,321,919
		16,122,762	13,448,076
Information Technology – 16.5%			
46,574	Adobe Systems Inc.	1,841,525	1,871,054
70,898	Cisco Systems Inc.	1,888,170	1,681,901
4,290	Google Inc.	2,202,329	2,303,279
40,210	Hewlett-Packard Company	1,836,500	1,809,366
37,065	MEMC Electronic Materials Inc.	2,582,089	2,325,611
89,152	Microsoft Corporation	2,741,186	2,501,375
108,596	Oracle Corporation	2,148,406	2,325,894
54,732	Western Digital Corporation	1,616,035	1,927,502
		16,856,240	16,745,982
Telecommunication Services – 3.0%			
46,633	AT&T Inc.	1,707,744	1,597,571
38,756	Verizon Communications Inc.	1,490,946	1,396,890
		3,198,690	2,994,461
Utilities – 4.8%			
19,957	Entergy Corporation	2,135,739	2,447,989
26,797	Exelon Corporation	2,119,315	2,456,439
		4,255,054	4,904,428
Index Units – 1.3%			
8,700	S&P 500 Depository Receipts	1,211,176	1,135,581
390	S&P 500 Depository Receipts Put Options $128.00 Jul.18, 2008	126,292	99,440
390	S&P 500 Depository Receipts Put Options $129.00 Jul.18, 2008	116,309	117,737
		1,453,777	1,352,758
	TOTAL EQUITIES	95,252,090	95,546,711
Currency Options – 0.0%			
4,900,000	Canadian Dollar Written Call Options $0.98 Jul. 21, 2008	68,977	1,699
SHORT TERM NOTES – 3.2%			
180,000 (US)	Canadian Wheat Board Commercial Paper 2.00% due Sep. 4, 2008	182,776	182,922
2,525,000 (US)	Export Development Corporation Commercial Paper 1.94% to 2.06% due from Aug. 18, 2008 to Sep. 16, 2008	2,512,742	2,566,828
485,000 (US)	EnCana Corporation Commercial Paper 2.59% due Jul. 7, 2008	490,443	494,437
		3,185,961	3,244,187
	TOTAL INVESTMENT PORTFOLIO	98,507,028	98,792,597
	OTHER ASSETS, LESS LIABILITIES – 2.5%		2,504,789
	TOTAL NET ASSETS – 100.0%		101,297,386

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels U.S. Equity Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels U.S. Equity Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U.S. stock exchanges.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
U.S. Dollar	100,208,808	98.9
Total	100,208,808	98.9

The amount in the above table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $10,020,881 (approximately 9.9% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008 the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $8,885,844 (approximately 8.8% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Scotia Cassels International Equity Fund (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2008	December 31, 2007
ASSETS		
Investments at fair value	$389,017,465	$462,187,746
Cash	287,446	11,021,830
Accrued investment income	1,131,967	449,850
Receivable for securities sold	10,007,186	1,143,149
Subscriptions receivable	544,246	451,990
Receivable from currency forward contracts	–	320,701
	400,988,310	475,575,266
LIABILITIES		
Payable for securities purchased	440,273	2,781,549
Redemptions payable	1,306,185	225
Accrued expenses	125,260	140,932
Payable for currency forward contracts	53,445	189,891
	1,925,163	3,112,597
Net assets	$399,063,147	$472,462,669
NET ASSETS PER CLASS		
Scotia Private Client Units	$399,063,147	$472,462,669
UNITS OUTSTANDING		
Scotia Private Client Units	35,390,745	38,580,339
NET ASSETS PER UNIT		
Scotia Private Client Units	$ 11.28	$ 12.25

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2008	2007
INVESTMENT INCOME		
Dividends	$ 10,114,535	$ 7,513,840
Interest	204,419	371,298
Securities lending	478	41
Foreign withholding taxes	(1,615,737)	(1,511,951)
	8,703,695	6,373,228
EXPENSES		
Management fees (note 4)	655,558	608,747
Audit fees	8,518	9,633
Custodian fees	91,284	190,343
Filing fees	8,071	7,070
Legal fees	2,996	1,374
Unitholder reporting	4,198	2,117
Unitholder administration, service fees and GST	58,494	66,033
	829,119	885,317
Absorbed expenses	(12,405)	(3,822)
	816,714	881,495
Net investment income (loss)	7,886,981	5,491,733
Net realized gain (loss) on investments sold	(9,196,278)	6,086,977
Net realized gain (loss) on foreign exchange	(581,856)	(514,484)
Transaction costs	(211,709)	(295,016)
Change in unrealized appreciation (depreciation) of investments	(34,496,013)	(5,577,223)
Change in unrealized appreciation (depreciation) of currency forward	(374,146)	149,547
Net gain (loss) on investments and transaction costs	(44,860,002)	(150,199)
Increase (decrease) in net assets from operations	$(36,973,021)	$ 5,341,534
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	$(36,973,021)	$ 5,341,534
INCREASE (DECREASE) FROM OPERATIONS PER UNIT		
Scotia Private Client Units	$ (0.97)	$ 0.17

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2008	2007
NET ASSETS – BEGINNING OF PERIOD		
Scotia Private Client Units	$472,462,669	$310,330,012
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Scotia Private Client Units	(36,973,021)	5,341,534
UNIT TRANSACTIONS		
Proceeds from issue		
Scotia Private Client Units	51,985,882	179,678,906
Payments on redemption		
Scotia Private Client Units	(88,412,383)	(20,158,489)
	(36,426,501)	159,520,417
INCREASE (DECREASE) IN NET ASSETS		
Scotia Private Client Units	(73,399,522)	164,861,951
TOTAL NET ASSETS – END OF PERIOD		
Scotia Private Client Units	$399,063,147	$475,191,963

The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2008

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES – 97.5%			
Argentina – 0.8%			
39,600	Tenaris SA ADR	2,081,128	3,008,904
Australia – 4.2%			
69,100	BHP Billiton Ltd.	1,834,521	3,001,331
39,000	Caltex Australia Ltd.	542,119	498,584
39,827	CSL Ltd.	1,071,018	1,392,036
25,372	Incitec Pivot Ltd.	3,749,267	4,558,277
270,082	Macquarie Airports	822,290	545,206
31,223	Macquarie Group Ltd.	2,301,271	1,479,266
258,119	Macquarie Infrastructure Group	812,439	584,302
61,021	National Australia Bank Ltd.	2,137,914	1,576,498
380,298	Oxiana Ltd	1,846,569	970,042
162,200	Qantas Airways Ltd.	521,037	481,815
84,761	QBE Insurance Group Ltd.	1,944,573	1,835,641
		17,583,018	16,922,998
Austria – 0.4%			
17,900	Voest Alpine AG	634,815	1,497,432
Belgium – 0.9%			
140,400	Fortis	4,762,929	2,272,904
9,600	Solvay SA	1,364,409	1,273,339
		6,127,338	3,546,243
Brazil – 2.5%			
20,100	Banco Do Brasil SA	174,795	333,715
99,200	Companhia Vale do Rio Doce SA ADR	1,737,157	3,624,049
69,900	Petroleo Brasileiro SA ADR	2,765,383	5,049,533
4,700	Unibanco de Bancos Brasileiros SA GDR	396,685	608,442
11,025	Usinas Siderurgicas de Minas Gerais SA Pref. A	185,670	553,344
		5,259,690	10,169,083
China – 0.2%			
870,000	China Petroleum & Chemical Corporation	790,983	825,113
302,000	China Telecom Corporation Ltd. Class H	113,848	167,550
		904,831	992,663
Denmark – 0.4%			
24,505	Novo Nordisk A/S Series B	1,650,227	1,646,790
Finland – 0.7%			
67,400	Nokia Oyj	1,941,887	1,684,058
132,400	Stora Enso Oyj Class R	2,389,432	1,254,587
		4,331,319	2,938,645
France – 10.2%			
25,500	Air France	1,211,593	619,836
32,960	BNP Paribas SA	3,746,697	3,012,013
16,600	Compagnie Generale des Etablissements Michelin Class B	1,575,232	1,207,790
124,983	Credit Agricole SA	4,436,197	2,583,251
33,273	Essilor International SA	2,082,093	2,070,681
46,900	France Telecom SA	1,355,738	1,404,283
27,100	Lagardere S.C.A.	2,412,038	1,570,996
31,100	Renault SA	3,834,349	2,595,304
42,300	Sanofi-Aventis SA	4,261,244	2,870,302
63,298	SES Global SA FDR	1,510,121	1,626,642
26,700	Societe Generale	4,153,937	2,344,538
56,259	Suez SA	3,746,422	3,897,270
25,232	Technip-Coflexip SA	2,191,746	2,366,290
126,561	Total SA	10,386,829	11,005,190
4,700	Vallourec SA	1,462,652	1,674,712
		48,366,888	40,849,098
Germany – 10.0%			
22,000	Allianz AG	5,108,846	3,939,781
74,200	BASF AG	4,317,904	5,189,569
47,598	Bayer AG	3,175,072	4,068,727
37,400	Deutsche Bank AG	5,244,945	3,261,495
14,959	Deutsche Boerse AG	1,994,406	1,712,192
FOREIGN EQUITIES (cont'd)			
Germany (cont'd)			
79,100	Deutsche Lufthansa AG	1,770,587	1,732,936
117,300	Deutsche Telekom AG	2,356,798	1,959,964
44,085	E.ON AG	7,939,663	9,051,017
152,500	Infineon Technologies AG	1,420,924	1,326,976
22,000	Lanxess AG	840,938	919,351
13,250	Muenchener Rueckver AG	2,260,820	2,365,731
6,853	Porsche AG Pref.	1,282,658	1,072,523
17,240	RWE AG	1,961,611	2,210,567
45,100	TUI AG	994,902	1,064,399
		40,670,074	39,875,228
Hong Kong – 0.5%			
182,000	China Netcom Group Corporation	373,446	506,465
148,100	Esprit Holdings Ltd.	1,704,969	1,572,188
		2,078,415	2,078,653
India – 0.1%			
5,376	State Bank of India GDR	322,243	294,984
Israel – 1.0%			
85,700	Teva Pharmaceutical Industries Ltd. ADR	3,877,289	4,003,162
Italy – 2.0%			
35,000	Banco Popolare SpA	1,015,442	629,652
109,600	Eni SpA	3,917,063	4,162,836
14,900	Fondiaria-Sai SpA	711,006	500,314
6,000	Fondiaria-Sai SpA – RNC	215,609	136,227
817,300	Telecom Italia SpA	1,704,051	1,669,337
428,300	Telecom Italia SpA-RNC	691,117	704,317
		8,254,288	7,802,683
Japan – 15.9%			
14,550	Canon Inc.	835,311	760,926
219,000	Dainippon Ink and Chemicals Inc.	1,012,681	647,283
319,000	Fujitsu Ltd.	2,271,538	2,406,489
237,000	Hitachi Ltd.	1,697,450	1,739,020
58,000	Honda Motor Co. Ltd.	2,308,027	2,013,287
55,100	JFE Holdings Inc.	2,501,439	2,825,711
7,000	Kyushu Electric Power Co. Inc.	231,773	149,225
285,000	Mitsubishi Chemical Holdings	2,508,043	1,687,318
219,500	Mitsubishi Corporation	6,783,196	7,368,581
452,000	Mitsui & Co. Ltd.	8,449,204	10,181,089
80,000	Mitsui Chemicals Inc.	628,575	401,450
93,000	Mitsui O.S.K. Lines Ltd.	815,434	1,362,716
63,300	Namco Bandai Holdings Inc.	1,154,578	732,232
11,000	Nintendo Co. Ltd.	6,029,393	6,316,104
202,000	Nippon Mining Holdings Inc.	1,717,359	1,293,578
396,000	Nippon Steel Corporation	2,427,223	2,182,578
464	Nippon Telegraph and Telephone Corporation	2,555,355	2,307,417
102,000	Nippon Yusen Kabushiki Kaisha	959,434	998,575
375,500	Nissan Motor Co. Ltd.	4,298,190	3,153,883
280,000	Oki Electric Industry Co. Ltd.	793,461	438,123
13,190	Orix Corporation	3,868,260	1,944,606
131,000	Sharp Corporation	2,646,884	2,180,761
331	Sumitomo Mitsui Financial Group Inc.	3,524,720	2,533,473
99,200	Tokyo Electric Power Co. Ltd.	3,162,106	2,600,646
333,000	Toshiba Corporation	2,555,893	2,497,847
57,900	Toyota Motor Corporation	3,267,073	2,778,605
		69,002,600	63,501,523
Netherlands – 5.0%			
32,975	ArcelorMittal	1,517,627	3,320,180
128,000	ING Groep NV	5,440,495	4,125,932
159,060	Koninklijke Ahold NV	2,255,759	2,173,339
33,000	Koninklijke BAM Groep NV	781,549	594,479
30,100	Koninklijke DSM NV	1,667,738	1,795,241
26,700	Koninklijke KPN NV	284,980	465,570

For equities, all common shares unless otherwise noted
The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
FOREIGN EQUITIES (cont'd)			
Netherlands (cont'd)			
174,443	Royal Dutch Shell PLC Class A	7,075,898	7,321,569
		19,024,046	19,796,310
Norway – 2.2%			
55,750	Norsk Hydro ASA	868,383	827,682
206,670	Statoil ASA	7,182,960	7,869,052
		8,051,343	8,696,734
Philippines – 0.1%			
6,900	Philippine Long Distance Telephone Co.	335,518	375,334
Russia – 1.6%			
10,700	Lukoil Oil Company ADR	983,325	1,076,013
56,170	OAO Gazprom ADR	2,843,414	3,322,686
31,800	Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel ADR	889,797	820,549
34,000	Vimpelcom ADR	1,133,422	1,029,200
		5,849,958	6,248,448
Singapore – 0.1%			
215,000	Neptune Orient Lines Ltd.	525,168	521,663
South Africa – 0.1%			
151,010	Sanlam Ltd.	416,266	325,003
12,355	Standard Bank Group Ltd.	139,415	122,214
		555,681	447,217
South Korea – 0.8%			
16,300	Hana Financial Group Inc.	838,761	638,641
2,100	Honam Petrochemical Corporation	118,797	152,461
23,700	Hynix Semiconductor Inc.	740,340	573,814
5,960	Hyundai Mobis Co.	591,717	491,461
4,200	Hyundai Motor Company Ltd. 2nd Pref.	227,744	116,901
4,790	Industrial Bank of Korea	93,738	74,587
6,500	Industrial Bank of Korea GDR	125,722	101,760
4,100	Kookmin Bank	417,657	245,149
1,600	Kookmin Bank ADR	109,757	95,479
260	Samsung Electronics Co.	205,218	158,643
500	Samsung Electronics Co. Ltd. GDR	177,436	150,308
700	Samsung Electronics Co. Ltd. GDR Pref.	219,208	152,424
300	Samsung Electronics Co.Ltd.Pref.	183,657	131,207
		4,049,752	3,082,835
Spain – 3.2%			
249,102	Banco Santander Central Hispano SA	5,203,546	4,636,041
168,287	Iberdrola Renovables	1,321,016	1,325,088
57,100	Repsol YPF SA	2,018,878	2,291,554
164,187	Telefonica SA	4,411,697	4,426,062
		12,955,137	12,678,745
Sweden – 1.6%			
121,472	Atlas Copco AB Series A	2,198,246	1,821,256
13,700	Electrolux AB Series B	263,404	177,311
45,800	Nordea Bank AB	787,275	639,543
119,900	Svenska Cellulosa AB Class B	2,201,285	1,721,901
25,800	Tele2 AB Class B	535,945	511,630
114,400	Volvo AB Series B	1,464,917	1,423,401
		7,451,072	6,295,042
Switzerland – 7.6%			
218,895	ABB Ltd.	3,966,294	6,301,090
16,300	Alcon Inc.	2,288,832	2,704,448
72,058	Credit Suisse Group	4,685,064	3,334,775
65,278	Julius Baer Holding AG	5,177,689	4,456,252
137,670	Nestle SA	5,580,741	6,329,383
98,442	Novartis AG	5,483,683	5,505,904
4,729	Syngenta AG	1,386,871	1,560,937
		28,569,174	30,192,789
FOREIGN EQUITIES (cont'd)			
Taiwan – 1.0%			
19,678	China Steel Corporation GDR	441,227	628,177
16,381	Compal Electronics Inc. GDR	82,153	86,709
25,382	Quanta Computer Inc. GDR	234,349	200,377
34,874	Siliconware Precision Industries Co. ADR	244,083	260,002
22,047	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	221,779	245,319
173,760	United Microelectronics Corporation ADR	822,114	517,475
88,000	Credit Suisse FB Nassau Equity Linked Notes on High Tech Computer Corporation Sep. 18, 2008	2,337,904	2,010,235
		4,383,609	3,948,294
Thailand – 0.1%			
56,800	PTT Public Company Ltd. Foreign Shares	419,802	537,013
United Kingdom – 24.3%			
90,445	3i Group PLC	2,349,812	1,507,142
46,592	Anglo American PLC	2,946,834	3,365,739
111,700	Associated British Foods PLC	1,973,859	1,718,768
114,600	Aviva PLC	1,749,890	1,158,140
352,251	BAE Systems PLC	3,383,792	3,162,096
346,400	Barclays PLC	4,622,604	2,045,342
346,400	Barclays PLC Rights Jul. 17, 2008	–	16,539
140,813	Billiton PLC	4,459,800	5,516,160
183,200	BP PLC	2,322,207	2,167,615
107,724	British American Tobacco PLC	3,885,173	3,788,621
185,100	GlaxoSmithKline PLC	5,251,025	4,172,319
384,730	HBOS PLC	6,434,979	2,147,595
153,892	HBOS PLC Rights Jul. 18, 2008	–	33,608
187,200	Home Retail Group PLC	1,883,093	824,412
191,311	Icap PLC	2,554,092	2,086,804
258,969	International Power PLC	2,262,815	2,259,931
811,860	ITV PLC	1,808,146	733,004
38,400	Kazakhmys PLC	1,055,515	1,231,093
530,443	Man Group PLC	5,816,934	6,668,706
145,301	Prudential PLC	2,027,201	1,569,627
78,698	Reckitt Benkiser PLC	4,446,672	4,064,221
73,375	Rio Tinto PLC	5,124,036	9,175,423
99,229	Royal & Sun Alliance Insurance Group PLC	205,466	251,699
826,932	Royal Bank of Scotland Group PLC	10,937,423	6,736,805
118,471	Standard Chartered PLC	3,889,864	3,416,915
555,567	Tesco PLC	4,887,427	4,160,912
109,831	Unilever PLC	3,996,009	3,186,831
3,592,654	Vodafone Group PLC	12,153,152	10,796,418
112,348	Xstrata PLC	5,942,866	9,106,467
		108,370,686	97,068,952
	TOTAL INVESTMENT PORTFOLIO	411,685,109	389,017,465
	OTHER ASSETS, LESS LIABILITIES – 2.5%		10,045,682
	TOTAL NET ASSETS – 100.0%		399,063,147

For equities, all common shares unless otherwise noted

The accompanying notes are an integral part of the financial statements

Scotia Cassels International Equity Fund (Unaudited – Continued)

COMMITMENTS – FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2008 ($)	Canadian ($) Appreciation/ (Depreciation)
Sep 16, 2008	British Pound	2,142,000	Canadian Dollar	4,328,768	4,344,997	6,450
Sep 16, 2008	Canadian Dollar	6,761,872	British Pound	3,372,000	6,824,529	(62,658)
Sep 16, 2008	Canadian Dollar	1,635,580	Hong Kong Dollar	12,452,000	1,634,709	872
Sep 16, 2008	Canadian Dollar	1,043,140	U.S. Dollar	1,019,000	1,041,475	1,665
Sep 16, 2008	Hong Kong Dollar	6,173,000	Canadian Dollar	810,041	807,224	226
					14,652,934	(53,445)

The currency forward contracts outstanding at June 30, 2008 were entered into with a financial institution with a credit rating of A1 by Standard & Poor's.

Scotia Cassels International Equity Fund (Unaudited – Continued)

DISCUSSION OF FINANCIAL INSTRUMENT RISK

As at June 30, 2008

A. Risk management

The investment objective of Scotia Cassels International Equity Fund (the "Fund") is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America.

Managing risk is among the most important factors in the portfolio management process, guiding investment decisions made for the Fund. The Fund's investment practice includes portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's securities and financial market developments.

B. Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the Statement of Investment Portfolio.

C. Currency risk

Currency risk is the risk that financial instruments which are denominated in a currency other than Canadian dollars, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at June 30, 2008, the Fund was exposed to the following currencies:

Currency	Financial Instruments ($)	Percentage of Total Net Assets (%)
Euro Dollar	129,409,906	32.4
British Pound	94,682,388	23.7
Japanese Yen	63,647,649	15.9
U.S. Dollar	28,906,122	7.2
Swiss Franc	27,526,119	6.9
Australian Dollar	16,986,555	4.3
Norwegian Krone	8,754,927	2.2
Swedish Krona	6,381,649	1.6
Hong Kong Dollar	2,316,896	0.6
South Korean Won	2,582,864	0.6
Danish Krone	1,688,541	0.4
Brazilian Real	887,059	0.2
Philippines Peso	409,297	0.1
Singapore Dollar	580,893	0.1
South African Financial Rand	506,188	0.1
Thai Baht	564,071	0.1
Total	385,831,124	96.4

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents as well as the underlying principal amounts of forward currency contracts). Other financial assets (including dividends and interest receivable and receivables for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2008 if the Canadian dollar had strengthened or weakened by 10% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively by approximately $38,583,112 (approximately 9.7% of the Fund's net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

D. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at June 30, 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to material amounts of risk due to fluctuations in the prevailing levels of interest rates.

E. Credit risk

Credit risk is the risk that the counterparty to a financial interest will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Where the Fund invests in debt instruments this represents the main concentration of credit risk. As at June 30, 2008, the Fund had no significant investment in debt instruments and/or derivatives.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

F. Other price risk

Other price risk is the risk that the fair value of the Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The impact on the net assets of the Fund due to a 10% change in the respective stock indices, using a historical measure of the sensitivity of the Fund's returns relative to the returns of its benchmark stock index, as of June 30, 2008 with all other variables held constant, would result in an increase or decrease of approximately $37,734,694 (approximately 9.5% of the Fund's total net assets). The Fund's historical sensitivity measure may not be representative of its future sensitivity measure, and accordingly, the impact on net assets could be materially different.

Notes to Financial Statements (Unaudited)

June 30, 2008

1. The Funds

All of the funds presented in these financial statements (the "Funds") are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a master declaration of trust ("Declaration of Trust") dated as at February 14, 2005, as amended and/or restated from time to time. The inception date for each Fund is as follows:

Scotia T-Bill Fund	October 3, 1991
Scotia Premium T-Bill Fund	July 10, 1992
Scotia Money Market Fund	August 30, 1990
Scotia U.S.$ Money Market Fund	September 3, 1996
Scotia Canadian Bond Index Fund	September 20, 1999
Scotia Mortgage Income Fund	September 22, 1992
Scotia Canadian Income Fund	November 1957
Scotia Cassels Canadian Corporate Bond Fund	October 30, 2003
Scotia U.S.$ Bond Fund	November 27, 1991
Scotia Global Bond Fund	July 4, 1994
Scotia Diversified Monthly Income Fund	June 10, 2005
Scotia Canadian Balanced Fund	May 7, 1990
Scotia Canadian Tactical Asset Allocation Fund	April 18, 1989
Scotia Selected Income & Modest Growth Portfolio	April 22, 2003
Scotia Selected Balanced Income & Growth Portfolio	April 22, 2003
Scotia Selected Moderate Growth Portfolio	April 22, 2003
Scotia Selected Aggressive Growth Portfolio	April 22, 2003
Scotia Partners Income & Modest Growth Portfolio	November 29, 2002
Scotia Partners Balanced Income & Growth Portfolio	November 29, 2002
Scotia Partners Moderate Growth Portfolio	November 29, 2002
Scotia Partners Aggressive Growth Portfolio	November 29, 2002
Scotia Vision Conservative 2010 Portfolio	June 10, 2005
Scotia Vision Aggressive 2010 Portfolio	June 10, 2005
Scotia Vision Conservative 2015 Portfolio	June 10, 2005
Scotia Vision Aggressive 2015 Portfolio	June 10, 2005
Scotia Vision Conservative 2020 Portfolio	June 10, 2005
Scotia Vision Aggressive 2020 Portfolio	June 10, 2005
Scotia Vision Conservative 2030 Portfolio	June 10, 2005
Scotia Vision Aggressive 2030 Portfolio	June 10, 2005
Scotia Canadian Index Fund	December 13, 1996
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Blue Chip Fund	December 31, 1986
Scotia Canadian Growth Fund	February 20, 1961
Scotia Cassels Canadian Equity Fund	June 10, 2005
Scotia Canadian Small Cap Fund	October 28, 1992
Scotia Resource Fund	July 6, 1993
Scotia Cassels North American Equity Fund	June 10, 2005
Scotia U.S. Index Fund	December 13, 1996
Scotia U.S. Growth Fund	December 31, 1986
Scotia Cassels U.S. Equity Fund	June 10, 2005
Scotia CanAm Index Fund	July 9, 1993
Scotia Nasdaq Index Fund	November 30, 2000
Scotia International Index Fund	September 20, 1999
Scotia Global Growth Fund	February 20, 1961
Scotia Cassels International Equity Fund	June 10, 2005
Scotia European Fund	September 3, 1996
Scotia Pacific Rim Fund	August 18, 1994
Scotia Latin American Fund	August 18, 1994
Scotia U.S. Value Fund	November 30, 2000
Scotia International Value Fund	November 30, 2000
Scotia Global Opportunities Fund	November 30, 2000
Scotia Global Small Cap Fund	November 30, 2000
Scotia Cassels Short-Mid Government Bond Fund	September 30, 2007
Scotia Cassels Advantaged Income Fund	September 30, 2007
Scotia Global Climate Change Fund	January 25, 2008

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). In applying GAAP, Scotia Securities Inc. (the "Manager") may make estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from such estimates. The notes to these interim financial statements are presented in a summarized format and should be read in conjunction with the Funds' December 31, 2007 annual financial statements. The significant accounting policies of the Funds are as follows:

(a) Adoption of new accounting standards

On January 1, 2008 the Funds adopted the Canadian Institute of Chartered Accountants ("CICA") Section 3862, "Financial Instruments- Disclosures" of the CICA Handbook and Section 3863, "Financial Instruments-Presentation", replacing Section 3861. Section 3862 requires enhanced disclosure of the nature and extent of risks arising from financial instruments and how the Funds manage those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments.

(b) Valuation of investments

(i) CICA Handbook Section 3855, "Financial Instruments-Recognition and Measurement" ("Section 3855"), requires measurement of actively traded securities to be recorded at a fair value established by the bid price for a security on the recognized exchange on which it is principally traded. Securities with no available bid, or a quoted value determined by the Manager to be inaccurate or unreliable, are valued at their closing price. As the adoption of Section 3855 results in the use of different valuation techniques than previously used, the Canadian security regulatory authorities (CSRA) have granted relief to investment funds, for the purpose of calculating and reporting the daily price of the fund's units for purchase and redemption by investors ('Pricing NAV'). The value used to determine the Funds' daily price is not affected by this accounting policy change. Investments are deemed to be held for trading in accordance with Section 3855 and therefore are recorded at fair value.

(ii) In accordance with Section 3855, transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in "Transaction costs" in the Statement of

Operations. The investment cost of a security represents the amount paid, and is determined on an average cost basis excluding transaction costs.

(iii) Short-term debt instruments are carried at amortized cost, which approximates fair value due to their short term maturity.

(iv) Mortgages are valued at their market value using the prevailing rate of return on new mortgages of similar type and term.

(v) In accordance with the relief granted by the Canadian Securities Administrators, a reconciliation between the Pricing NAV and the net asset calculated in accordance with Section 3855 ("GAAP Net Assets") of an investment fund is required in the notes to the financial statements. The following table displays the impact of Section 3855 by Fund class as at June 30, 2008:

Fund	Pricing NAV ($)	Section 3855 Adjustment ($)	GAAP Net Assets ($)	Pricing NAV Per Unit ($)	Section 3855 Per Unit Adjustment ($)	GAAP Net Assets Per Unit ($)
Scotia Canadian Bond Index Fund						
Class A Units	86,758,487	(62,013)	86,696,474	10.59	(0.01)	10.58
Class F Units	498,549	(356)	498,193	10.62	(0.01)	10.61
Class I Units	40,551,468	(29,004)	40,522,464	10.57	(0.01)	10.56
Total Net Asset Value	**127,808,504**	(91,373)	**127,717,131**			
Scotia Canadian Income Fund						
Class A Units	693,495,991	(1,349,667)	692,146,324	12.70	(0.02)	12.68
Advisor Class Units	560,332	(1,091)	559,241	12.70	(0.03)	12.67
Class F Units	286,740	(559)	286,181	12.69	(0.03)	12.66
Class I Units	954,968,810	(1,860,550)	953,108,260	12.68	(0.02)	12.66
Scotia Private Client Units	376,806,700	(734,086)	376,072,614	12.68	(0.02)	12.66
Total Net Asset Value	**2,026,118,573**	(3,945,953)	**2,022,172,620**			
Scotia Cassels Canadian Corporate Bond Fund						
Class I Units	185,426,856	(396,808)	185,030,048	9.81	(0.02)	9.79
Scotia Private Client Units	1,318,787,021	(2,821,954)	1,315,965,067	9.81	(0.02)	9.79
Total Net Asset Value	**1,504,213,877**	(3,218,762)	**1,500,995,115**			
Scotia U.S.$ Bond Fund						
Class A Units	17,076,618	(5,758)	17,070,860	10.59	(0.06)	10.53
Class F Units	13,520	(4)	13,516	10.57	(0.07)	10.50
Total Net Asset Value	**17,090,138**	(5,762)	**17,084,376**			
Scotia Global Bond Fund						
Class A Units	19,450,290	1,708	19,451,998	7.95	0.00	7.95
Class I Units	22,916,374	2,016	22,918,390	7.94	0.00	7.94
Total Net Asset Value	**42,366,664**	3,724	**42,370,388**			
Scotia Diversified Monthly Income Fund						
Class A Units	594,550,682	(1,179,594)	593,371,088	10.43	(0.02)	10.41
Advisor Class Units	128,114	(254)	127,860	10.45	(0.02)	10.43
Class F Units	10,744	(21)	10,723	10.55	(0.02)	10.53
Total Net Asset Value	**594,689,540**	(1,179,869)	**593,509,671**			
Scotia Canadian Balanced Fund						
Class A Units	2,243,670,865	(6,200,493)	2,237,470,372	21.81	(0.06)	21.75
Class F Units	62,631	(173)	62,458	21.39	(0.06)	21.33
Total Net Asset Value	**2,243,733,496**	(6,200,666)	**2,237,532,830**			
Scotia Canadian Tactical Asset Allocation Fund						
Class A Units	464,524,943	(1,384,098)	463,140,845	18.06	(0.06)	18.00
Advisor Class Units	74,073	(221)	73,852	17.93	(0.05)	17.88
Class F Units	21,835	(66)	21,769	18.27	(0.06)	18.21
Total Net Asset Value	**464,620,851**	(1,384,385)	**463,236,466**			
Scotia Canadian Index Fund						
Class A Units	209,799,744	(1,061,001)	208,738,743	24.59	(0.13)	24.46
Class I Units	28,214,885	(142,673)	28,072,212	24.40	(0.12)	24.28
Total Net Asset Value	**238,014,629**	(1,203,674)	**236,810,955**			
Scotia Canadian Dividend Fund						
Class A Units	2,245,767,701	(9,353,215)	2,236,414,486	40.29	(0.17)	40.12
Advisor Class Units	8,325,727	(34,703)	8,291,024	40.10	(0.17)	39.93
Class F Units	8,164,719	(34,072)	8,130,647	40.11	(0.17)	39.94
Class I Units	680,158,964	(2,844,004)	677,314,960	40.21	(0.17)	40.04
Scotia Private Client Units	86,078,756	(359,793)	85,718,963	39.97	(0.16)	39.81
Total Net Asset Value	**3,028,495,867**	(12,625,787)	**3,015,870,080**			
Scotia Canadian Blue Chip Fund						
Class A Units	410,511,830	(2,091,492)	408,420,338	30.16	(0.16)	30.00
Class F Units	31,752	(162)	31,590	30.64	(0.15)	30.49
Class I Units	16,020,154	(81,606)	15,938,548	32.07	(0.17)	31.90
Total Net Asset Value	**426,563,736**	(2,173,260)	**424,390,476**			

Fund	Pricing NAV ($)	Section 3855 Adjustment ($)	GAAP Net Assets ($)	Pricing NAV Per Unit ($)	Section 3855 Per Unit Adjustment ($)	GAAP Net Assets Per Unit ($)
Scotia Canadian Growth Fund						
Class A Units	576,769,317	(2,641,814)	574,127,503	65.23	(0.29)	64.94
Advisor Class Units	11,647	(54)	11,593	65.12	(0.30)	64.82
Class F Units	58,826	(269)	58,557	66.92	(0.30)	66.62
Class I Units	271,165,624	(1,241,830)	269,923,794	72.44	(0.33)	72.11
Total Net Asset Value	**848,005,414**	(3,883,967)	**844,121,447**			
Scotia Cassels Canadian Equity Fund						
Scotia Private Client Units	**129,673,120**	(717,843)	**128,955,277**	13.25	(0.08)	13.17
Scotia Canadian Small Cap Fund						
Class A Units	63,772,747	(319,618)	63,453,129	21.46	(0.11)	21.35
Class I Units	117,635,440	(589,454)	117,045,986	23.90	(0.12)	23.78
Total Net Asset Value	**181,408,187**	(909,072)	**180,499,115**			
Scotia Resource Fund						
Class A Units	**151,859,337**	(697,270)	**151,162,067**	26.12	(0.12)	26.00
Scotia Cassels North American Equity Fund						
Scotia Private Client Units	**438,815,360**	(1,481,333)	**437,334,027**	11.64	(0.04)	11.60
Scotia U.S. Index Fund						
Class A Units	42,316,199	(57,317)	42,258,882	11.98	(0.02)	11.96
Class I Units	14,023,427	(18,993)	14,004,434	12.07	(0.01)	12.06
Total Net Asset Value	**56,339,626**	(76,310)	**56,263,316**			
Scotia U.S. Growth Fund						
Class A Units	43,269,934	(41,998)	43,227,936	8.17	(0.01)	8.16
Class F Units	9,307	(9)	9,298	8.25	(0.01)	8.24
Total Net Asset Value	**43,279,241**	(42,007)	**43,237,234**			
Scotia Cassels U.S. Equity Fund						
Scotia Private Client Units	**101,392,541**	(95,155)	**101,297,386**	9.71	(0.01)	9.70
Scotia CanAm Index Fund						
Class A Units	82,003,661	(70,447)	81,933,214	7.73	(0.01)	7.72
Class F Units	9,006	(8)	8,998	7.76	(0.01)	7.75
Total Net Asset Value	**82,012,667**	(70,455)	**81,942,212**			
Scotia Nasdaq Index Fund						
Class A Units	10,232,247	(5,525)	10,226,722	4.25	0.00	4.25
Class F Units	4,872	(2)	4,870	4.42	0.00	4.42
Total Net Asset Value	**10,237,119**	(5,527)	**10,231,592**			
Scotia International Index Fund						
Class A Units	31,189,339	(47,167)	31,142,172	7.95	(0.01)	7.94
Class F Units	7,565	(12)	7,553	7.92	(0.01)	7.91
Class I Units	23,171,737	(35,040)	23,136,697	8.26	(0.02)	8.24
Total Net Asset Value	**54,368,641**	(82,219)	**54,286,422**			
Scotia Global Growth Fund						
Class A Units	96,247,196	(42,206)	96,204,990	31.19	(0.01)	31.18
Advisor Class Units	2,099	(1)	2,098	31.19	(0.01)	31.18
Class I Units	218,388,881	(95,747)	218,293,134	32.13	(0.02)	32.11
Total Net Asset Value	**314,638,176**	(137,954)	**314,500,222**			
Scotia Cassels International Equity Fund						
Scotia Private Client Units	**399,058,349**	4,798	**399,063,147**	11.28	0.00	11.28
Scotia European Fund						
Class A Units	32,232,772	994	32,233,766	11.40	0.00	11.40
Class E Units	5,467,983	169	5,468,152	11.54	0.00	11.54
Total Net Asset Value	**37,700,755**	1,163	**37,701,918**			
Scotia U.S. Value Fund						
Class A Units	20,502,669	(33,267)	20,469,402	7.24	(0.01)	7.23
Class I Units	85,264,443	(138,317)	85,126,126	7.44	(0.01)	7.43
Total Net Asset Value	**105,767,112**	(171,584)	**105,595,528**			
Scotia International Value Fund						
Class A Units	15,709,707	(9,343)	15,700,364	6.50	0.00	6.50
Advisor Class Units	2,885	(1)	2,884	6.50	(0.01)	6.49
Class F Units	12,416	(7)	12,409	7.00	0.00	7.00
Class I Units	92,885,878	(55,234)	92,830,644	6.70	(0.01)	6.69
Total Net Asset Value	**108,610,886**	(64,585)	**108,546,301**			
Scotia Global Opportunities Fund						
Class A Units	6,272,864	(59,533)	6,213,331	8.82	(0.08)	8.74
Advisor Class Units	97	(1)	96	8.79	(0.09)	8.70
Class F Units	7,443	(70)	7,373	9.08	(0.09)	8.99
Class I Units	70,125,357	(665,387)	69,459,970	9.08	(0.08)	9.00
Total Net Asset Value	**76,405,761**	(724,991)	**75,680,770**			

Fund	Pricing NAV ($)	Section 3855 Adjustment ($)	GAAP Net Assets ($)	Pricing NAV Per Unit ($)	Section 3855 Per Unit Adjustment ($)	GAAP Net Assets Per Unit ($)
Scotia Global Small Cap Fund						
Class A Units	3,148,106	(11,019)	3,137,087	8.86	(0.03)	8.83
Class I Units	104,907,662	(367,126)	104,540,536	9.06	(0.03)	9.03
Total Net Asset Value	**108,055,768**	(378,145)	**107,677,623**			
Scotia Cassels Short-Mid Government Bond Fund						
Scotia Private Client Units	**239,211,637**	(59,410)	**239,152,227**	10.14	(0.01)	10.13
Scotia Cassels Advantaged Income Fund						
Scotia Private Client Units	**44,841,019**	(131,173)	**44,709,846**	10.15	(0.03)	10.12
Scotia Global Climate Change Fund						
Class A Units	7,758,119	(8,257)	7,749,862	9.99	(0.01)	9.98
Advisor Class Units	310,146	(331)	309,815	9.99	(0.01)	9.98
Total Net Asset Value	**8,068,265**	(8,588)	**8,059,677**			

(c) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis.

Dividend income is recognized on the ex-dividend date and interest is recognized on an accrual basis.

Realized gains and losses on the sale of short-term debt instruments are recorded as an adjustment to interest income.

Gains and losses on investments are computed using average cost and excludes transaction costs.

Income, realized gains (losses) and unrealized gains (losses) are allocated among the classes on a pro rata basis.

(d) Foreign currency conversion

Amounts denominated in foreign currencies are converted into Canadian dollars as follows:

(i) market value of investments and other assets and liabilities at the rates of exchange prevailing at the valuation date; and

(ii) purchase and sale of investments and investment income at the rates of exchange prevailing on the respective dates of such transactions.

This does not apply to Scotia U.S. $ Money Market Fund and Scotia U.S.$ Bond Fund which are denominated in U.S. dollars.

(e) Foreign exchange

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in net realized gain (loss) on foreign exchange in the Statement of Operations.

This does not apply to Scotia U.S. $ Money Market Fund and Scotia U.S.$ Bond Fund which are denominated in U.S. dollars.

(f) Futures, forward and option contracts

Futures, forward and option contracts are valued on each business day according to the gain or loss that would be realized if the contracts were closed out, unless daily limits are in effect in which case they are valued based on the current market value of the underlying interest. Any payments made to satisfy the initial and the variation margin are reflected as a receivable balance. Margin consisting of assets other than cash is noted in the Statement of Investment Portfolio. Futures, forwards and option contracts may be held as hedges for capital investments.

(g) Other assets and liabilities

For the purpose of categorization in accordance with Section 3862, accrued interest and dividends receivable for securities issued, amounts due from brokers, the Manager, and other Funds, and other net assets are designated as receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers and other Funds, accounts payable for securities redeemed, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

(h) Securities lending

Some of the Funds may enter into securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. The income earned from these securities lending transactions is recorded in the Statement of Operations. The market value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangement can be terminated by the borrower, the agent or a Fund at any time.

(i) Future accounting change

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Funds will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The Manager is currently evaluating the impact of these standards on its financial statement.

3. Unitholders' equity

Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust, ranks pari passu with all other units of the Fund, and entitles the unitholder to a proportionate undivided interest in the net assets of the Fund.

The units of each of the Funds are issued and redeemed at their Pricing NAV per unit which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The Pricing NAV per unit is calculated by dividing the net assets of the Fund by the total number of units outstanding.

	2008		2007	
Fund	Units Issued	Units Redeemed	Units Issued	Units Redeemed
Scotia T-Bill Fund				
Class A Units	4,958,975	4,383,487	8,668,446	10,701,432
Scotia Premium T-Bill Fund				
Class A Units	55,347,005	54,517,233	116,009,339	125,936,653
Scotia Money Market Fund				
Class A Units	79,089,570	56,487,006	109,635,927	115,705,285
Advisor Class Units	483,247	68,410	–	–
Class I Units	88,136	154,339	640,986	388,967
Scotia Private Client Units	75,502,742	74,041,824	158,619,064	152,368,938
Scotia U.S.$ Money Market Fund				
Class A Units	10,686,194	7,897,307	16,355,791	13,385,148
Scotia Canadian Bond Index Fund				
Class A Units	1,983,361	819,360	1,948,876	2,276,445
Class F Units	5,651	67,236	21,247	47,671
Class I Units	802,379	236,758	1,322,235	658,127
Scotia Mortgage Income Fund				
Class A Units	532,534	1,492,889	1,303,833	5,456,335
Class F Units	8	12	381	29
Class I Units	4,611,364	502,378	9,328,408	6,525,673
Scotia Canadian Income Fund				
Class A Units	5,396,238	4,691,143	7,708,145	14,182,045
Advisor Class Units	44,233	111	–	–
Class F Units	2,045	1,456	5,919	11,842
Class I Units	10,282,549	46,426,133	45,900,835	5,374,115
Scotia Private Client Units	4,772,422	6,718,212	24,535,728	40,161,555
Scotia Cassels Canadian Corporate Bond Fund				
Class I Units	18,924,189	15,798	–	–
Scotia Private Client Units	20,651,978	15,046,113	87,853,727	23,399,230
Scotia U.S.$ Bond Fund				
Class A Units	381,505	174,571	233,306	347,017
Class F Units	28	–	56	–
Scotia Global Bond Fund				
Class A Units	300,573	317,104	227,485	684,936
Class I Units	203,967	634,800	2,832,007	13,098,430
Scotia Diversified Monthly Income Fund				
Class A Units	18,923,993	5,396,814	30,970,621	6,259,093
Advisor Class Units	12,259	–	–	–
Class F Units	335	–	622	–
Scotia Canadian Balanced Fund				
Class A Units	15,682,745	6,501,096	24,639,029	13,111,065
Class F Units	33	–	128	–
Scotia Canadian Tactical Asset Allocation Fund				
Class A Units	1,871,186	1,715,506	4,303,080	4,003,159
Advisor Class Units	4,131	–	–	–
Class F Units	29	3	55	20
Scotia Selected Income & Modest Growth Portfolio				
Class A Units	3,757,035	1,941,532	7,422,639	3,982,045
Advisor Class Units	9	–	–	–
Scotia Selected Balanced Income & Growth Portfolio				
Class A Units	13,280,139	3,985,536	24,411,578	5,921,851
Advisor Class Units	118	–	–	–
Class F Units	3,996	–	–	–
Scotia Selected Moderate Growth Portfolio				
Class A Units	9,314,229	2,217,889	14,763,655	3,157,216
Advisor Class Units	8	–	–	–
Scotia Selected Aggressive Growth Portfolio				
Class A Units	1,949,244	534,868	3,237,780	789,168
Advisor Class Units	7	–	–	–
Scotia Partners Income & Modest Growth Portfolio				
Class A Units	2,438,698	3,177,047	10,474,460	6,717,774
Class F Units	–	8	26	–
Scotia Partners Balanced Income & Growth Portfolio				
Class A Units	10,283,184	7,516,627	38,472,195	12,040,793
Class F Units	488	10	6,885	13,973
Scotia Partners Moderate Growth Portfolio				
Class A Units	10,672,881	7,392,006	41,363,036	9,774,916
Class F Units	16,274	8,602	40,242	14,143
Scotia Partners Aggressive Growth Portfolio				
Class A Units	3,181,577	1,908,236	10,761,139	2,763,795
Class F Units	983	1,030	10,651	585
Scotia Vision Conservative 2010 Portfolio				
Class A Units	129,375	528,801	965,361	697,361
Scotia Vision Aggressive 2010 Portfolio				
Class A Units	43,188	84,690	153,126	156,676
Scotia Vision Conservative 2015 Portfolio				
Class A Units	401,295	587,237	1,781,168	667,725
Scotia Vision Aggressive 2015 Portfolio				
Class A Units	142,576	138,819	661,939	278,827
Scotia Vision Conservative 2020 Portfolio				
Class A Units	595,111	501,121	2,082,702	592,915
Scotia Vision Aggressive 2020 Portfolio				
Class A Units	265,780	263,367	933,102	315,946
Scotia Vision Conservative 2030 Portfolio				
Class A Units	388,587	233,333	1,169,128	338,460
Scotia Vision Aggressive 2030 Portfolio				
Class A Units	219,894	143,620	664,845	219,161
Scotia Canadian Index Fund				
Class A Units	653,609	815,865	1,361,700	1,986,444
Class I Units	117,607	74,075	351,520	519,839
Scotia Canadian Dividend Fund				
Class A Units	6,696,546	3,501,573	12,132,613	6,455,608
Advisor Class Units	210,736	3,118	–	–
Class F Units	43,253	45,190	120,765	79,135
Class I Units	10,642,181	1,544,852	4,571,172	2,181,438
Scotia Private Client Units	947,200	1,190,290	1,642,052	553,693
Scotia Canadian Blue Chip Fund				
Class A Units	346,754	827,189	734,234	2,100,719
Class F Units	–	–	641	671
Class I Units	30,795	294,631	273,997	393,020
Scotia Canadian Growth Fund				
Class A Units	264,382	571,131	1,518,394	1,341,187
Advisor Class Units	179	–	–	–
Class F Units	–	–	453	260
Class I Units	680,410	27,698	1,187,817	583,339
Scotia Cassels Canadian Equity Fund				
Scotia Private Client Units	3,388,880	2,660,987	4,406,418	1,835,446
Scotia Canadian Small Cap Fund				
Class A Units	59,350	314,624	336,980	795,337
Class F Units	–	–	366	366
Class I Units	642,589	137,817	3,142,208	806,045
Scotia Private Client Units	1,049	1,124,725	360,360	417,337
Scotia Resource Fund				
Class A Units	826,571	549,605	1,098,649	1,179,266
Class F Units	–	441	–	740
Scotia Cassels North American Equity Fund				
Scotia Private Client Units	6,858,875	6,277,934	14,818,512	6,383,610
Scotia U.S. Index Fund				
Class A Units	261,999	359,106	531,501	791,593
Class I Units	65,644	77,362	411,450	196,872
Scotia U.S. Growth Fund				
Class A Units	192,869	515,510	250,642	1,416,852
Class F Units	–	–	1,128	–
Class I Units	–	–	629,952	4,886,809
Scotia Cassels U.S. Equity Fund				
Scotia Private Client Units	6,749,475	1,298,079	2,938,589	625,173
Scotia CanAm Index Fund				
Class A Units	149,286	1,116,669	264,743	2,933,208
Class F Units	–	–	1,160	–
Scotia Nasdaq Index Fund				
Class A Units	277,318	282,932	452,280	789,360
Class F Units	314	–	–	–

Fund	2008 Units Issued	2008 Units Redeemed	2007 Units Issued	2007 Units Redeemed
Scotia International Index Fund				
Class A Units	294,693	354,202	1,185,367	788,561
Class F Units	–	–	955	–
Class I Units	915,189	152,447	724,692	607,524
Scotia Global Growth Fund				
Class A Units	148,526	238,576	723,180	794,881
Advisor Class Units	67	–	–	–
Class I Units	1,342,034	36,913	5,557,383	65,155
Scotia Cassels International Equity Fund				
Scotia Private Client Units	4,564,387	7,753,981	19,280,633	4,543,882
Scotia European Fund				
Class A Units	136,428	297,779	842,303	653,489
Class E Units	65,546	30,007	462,427	24,195
Scotia Pacific Rim Fund				
Class A Units	284,251	256,110	594,338	542,375
Class I Units	27,449	4,932	45,888	17,077
Scotia Latin American Fund				
Class A Units	428,269	283,604	1,068,408	531,573
Class F Units	256	792	697	2,915
Class I Units	7,183	7,558	85,774	62,205
Scotia U.S. Value Fund				
Class A Units	139,316	328,190	173,920	866,962
Class F Units	–	–	–	600
Class I Units	1,906,383	153,809	11,542,938	1,842,746
Scotia International Value Fund				
Class A Units	143,942	313,299	349,119	628,410
Advisor Class Units	444	–	–	–
Class F Units	–	608	18	1,366
Class I Units	2,882,540	647,213	12,404,045	773,316
Scotia Global Opportunities Fund				
Class A Units	276,016	48,612	267,293	556,861
Advisor Class Units	11	–	–	–
Class F Units	–	–	24	301
Class I Units	1,532,212	132,926	6,764,199	442,963
Scotia Global Small Cap Fund				
Class A Units	23,300	43,208	597,664	1,003,342
Class F Units	–	–	–	2,121
Class I Units	2,147,559	486,717	10,239,670	322,527
Scotia Cassels Short-Mid Government Bond Fund				
Scotia Private Client Units	7,470,065	2,379,024	18,638,067	128,041
Scotia Cassels Advantaged Income Fund				
Scotia Private Client Units	4,735,839	331,828	15,000	–
Scotia Global Climate Change Fund				
Class A Units	783,376	6,754	–	–
Advisor Class Units	31,047	–	–	–

4. Management fees and sales charges

The Funds' management fees are calculated daily and payable monthly on the first business day of the following calendar month. The Manager is entitled to a maximum annual management fee, exclusive of GST, as follows:

	% of Net Asset Value			
	Class A Units	Class F Units	Scotia Private Client Units	Advisor Class Units
Scotia T-Bill Fund	1.00	–	–	–
Scotia Premium T-Bill Fund	0.50	–	–	
Scotia Money Market Fund	1.00	–	0.10	1.00
Scotia U.S.$ Money Market Fund	1.00	–	–	–
Scotia Canadian Bond Index Fund	0.70	0.35	–	–
Scotia Mortgage Income Fund	1.25	0.625	–	–
Scotia Canadian Income Fund	1.25	0.625	0.10	1.25
Scotia Cassels Canadian Corporate Bond Fund	–	–	0.10	–
Scotia U.S.$ Bond Fund	1.50	0.75	–	–
Scotia Global Bond Fund	1.50	0.75	–	–
Scotia Diversified Monthly Income Fund	1.25	0.625	–	1.50
Scotia Canadian Balanced Fund	1.75	0.875	–	–
Scotia Canadian Tactical Asset Allocation Fund	1.75	0.875	–	1.95
Scotia Selected Income & Modest Growth Portfolio	1.60	0.60	–	1.80
Scotia Selected Balanced Income & Growth Portfolio	1.75	0.75	–	1.95
Scotia Selected Moderate Growth Portfolio	1.90	0.90	–	2.10
Scotia Selected Aggressive Growth Portfolio	2.10	1.10	–	2.20
Scotia Partners Income & Modest Growth Portfolio	1.85	0.85	–	–
Scotia Partners Balanced Income & Growth Portfolio	2.00	1.00	–	–
Scotia Partners Moderate Growth Portfolio	2.15	1.15	–	–
Scotia Partners Aggressive Growth Portfolio	2.35	1.35	–	–
Scotia Vision Conservative 2010 Portfolio	1.60	–	–	–
Scotia Vision Aggressive 2010 Portfolio	1.65	–	–	–
Scotia Vision Conservative 2015 Portfolio	1.70	–	–	–
Scotia Vision Aggressive 2015 Portfolio	1.75	–	–	–
Scotia Vision Conservative 2020 Portfolio	1.80	–	–	–
Scotia Vision Aggressive 2020 Portfolio	1.85	–	–	–
Scotia Vision Conservative 2030 Portfolio	2.00	–	–	–
Scotia Vision Aggressive 2030 Portfolio	2.05	–	–	–
Scotia Canadian Index Fund	0.80	0.40	–	–
Scotia Canadian Dividend Fund	1.50	0.75	0.10	1.75
Scotia Canadian Blue Chip Fund	1.85	0.925	–	–
Scotia Canadian Growth Fund	1.85	0.925	–	1.95
Scotia Cassels Canadian Equity Fund	–	–	0.10	–
Scotia Canadian Small Cap Fund	2.00	1.00	0.10	–
Scotia Resource Fund	2.00	1.00	–	–
Scotia Cassels North American Equity Fund	–	–	0.10	–
Scotia U.S. Index Fund	0.80	0.40	–	–
Scotia U.S. Growth Fund	2.00	1.00	0.10	–
Scotia Cassels U.S. Equity Fund	–	–	0.10	–
Scotia CanAm Index Fund	0.80	0.40	–	–
Scotia Nasdaq Index Fund	0.80	0.40	–	–
Scotia International Index Fund	0.80	0.40	–	–
Scotia Global Growth Fund	2.00	1.00	–	2.00
Scotia Cassels International Equity Fund	–	–	0.30	–
Scotia European Fund	2.00	1.00	–	–
Scotia Pacific Rim Fund	2.00	1.00	–	–
Scotia Latin American Fund	2.50	1.25	–	–
Scotia U.S. Value Fund	2.00	1.00	–	–
Scotia International Value Fund	2.15	1.15	–	2.15
Scotia Global Opportunities Fund	2.20	1.20	–	2.20
Scotia Global Small Cap Fund	2.35	1.35	–	–
Scotia Cassels Short-Mid Government Bond Fund	–	–	0.10	–
Scotia Cassels Advantaged Income Fund	–	–	0.10	–
Scotia Global Climate Change Fund	2.00	1.00	–	2.00

No management fees are charged on Class I Units and Class E Units. Instead investors negotiate a separate fee that is paid directly to the Manager.

On February 4, 2008, Scotia Money Market Fund, Scotia Canadian Income Fund, Scotia Diversified Monthly Income Fund, Scotia Canadian Tactical Asset Allocation Fund, Scotia Canadian Dividend Fund, Scotia Canadian Growth Fund, Scotia International Value Fund, Scotia Global

Growth Fund, Scotia Global Opportunities Fund, Scotia Global Climate Change Fund, Scotia Selected Income & Modest Growth Portfolio, Scotia Selected Balanced Income & Growth Portfolio, Scotia Selected Moderate Growth Portfolio and Scotia Selected Aggressive Growth Portfolio commenced the offering of Advisor Class units. Investors who choose to buy Advisor Class units under the front-end sales charge option may have to pay a sales charge that may range from 0% to 6% of the amount invested. The amount of the sales charge is negotiated between the investor and his or her investment professional. The sales charge will be deducted from the amount invested and paid to the dealer as a commission. There are no sales charges associated with the purchase of Class A, Class F, Class I or Scotia Private Client units.

5. Operating expenses

Each class of a Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all classes. Operating expenses may include legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, custodial fees, taxes, brokerage commissions, unitholder communication costs and other administration costs. The absorbed expenses are reflected in the Statement of Operations. The Manager may cease to absorb expenses at any time.

6. Income taxes

The Funds qualify or expect to qualify as mutual fund trusts under the Income Tax Act (Canada). Each of the Funds distributes sufficient of its taxable net investment income and net realized taxable capital gains, less the amount required to enable each Fund to utilize any available tax credit attributable to redemptions during the period, to its unitholders. Such income is taxable in the hands of the unitholders. Accordingly, no provision for income taxes has been recorded in these financial statements.

(a) There are capital loss carryforwards available in the following Funds as at December 31 of the following years:

	2007	2006
Scotia U.S.$ Money Market Fund	$ 55,840,359	$ 50,606,242
Scotia Canadian Bond Index Fund	675,177	235,806
Scotia Mortgage Income Fund	1,695,129	1,580,550
Scotia Canadian Income Fund	49,732,630	–
Scotia Cassels Canadian Corporate Bond Fund	10,695,351	1,669,735
Scotia U.S.$ Bond Fund	8,662,557	7,958,137
Scotia Global Bond Fund	26,938,958	17,340,435
Scotia Canadian Balanced Fund	–	4,485,211
Scotia Canadian Tactical Asset Allocation Fund	–	13,440,339
Scotia Canadian Index Fund	10,317,456	11,728,661
Scotia Canadian Dividend Fund	20,198	20,198
Scotia Canadian Blue Chip Fund	–	13,988,421
Scotia Canadian Small Cap Fund	–	16,330
Scotia Resource Fund	11,187,386	36,191,841
Scotia Cassels North American Equity Fund	–	2,049,008
Scotia U.S. Index Fund	22,371,484	21,324,211
Scotia U.S. Growth Fund	117,769,045	118,083,620
Scotia Cassels U.S. Equity Fund	2,089,890	465,927
Scotia CanAm Index Fund	102,277,025	85,405,576
Scotia Nasdaq Index Fund	7,179,107	5,587,051
Scotia International Index Fund	11,626,328	7,552,936
Scotia Global Growth Fund	68,574,129	77,433,547
Scotia Cassels International Equity Fund	2,362,166	–
Scotia European Fund	38,097,281	40,836,609
Scotia Pacific Rim Fund	9,171,952	11,137,288
Scotia U.S. Value Fund	20,486,543	18,562,845
Scotia International Value Fund	–	2,434,658
Scotia Global Opportunities Fund	–	376,290
Scotia Global Small Cap Fund	3,767,833	568,756

The capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

(b) There are non-capital loss carryforwards available in the following Funds as at December 31 of the following years:

	2007	2006
Scotia Canadian Tactical Asset Allocation Fund	$ 3,857	$ 3,857
Scotia Selected Aggressive Growth Portfolio	–	193,707
Scotia Partners Moderate Growth Portfolio	373,425	373,425
Scotia Partners Aggressive Growth Portfolio	193,524	1,786,532
Scotia Canadian Growth Fund	–	461,784
Scotia Resource Fund	1,475,814	–
Scotia U.S. Growth Fund	7,684,109	7,396,592
Scotia CanAm Index Fund	108,739,170	113,948,290
Scotia Nasdaq Index Fund	2,039,910	3,579,154
Scotia Global Growth Fund	3,577,825	5,392,454
Scotia Pacific Rim Fund	449,540	281,082
Scotia Latin American Fund	–	1,991
Scotia U.S. Value Fund	8,522,057	9,255,179
Scotia International Value Fund	–	1,874,883
Scotia Global Opportunities Fund	–	416,939
Scotia Global Small Cap Fund	–	741,594

The non-capital losses for income tax purposes may be carried forward for up to twenty years and applied against capital gains realized and net income in future years.

7. Soft dollars paid

The ascertainable soft dollar arrangements in connection with investment portfolio transactions for the six-month periods ended June 30, 2008 and June 30, 2007 are set out below.

	Soft Dollars	
	2008	2007
Scotia Canadian Tactical Asset Allocation Fund	$19,202	$17,536
Scotia Canadian Balanced Fund	3,748	–
Scotia Canadian Blue Chip Fund	250	–
Scotia Canadian Growth Fund	643	165
Scotia Global Growth Fund	36,704	11,394
Scotia Cassels International Equity Fund	–	3,011
Scotia European Fund	1,466	25
Scotia U.S. Value Fund	2,742	3,350
Scotia Global Small Cap Fund	54,019	45,230

Soft dollar commissions are arrangements pursuant to which products or services, other than the execution of portfolio securities transactions, are obtained by an adviser from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer.

8. Securities lending

The Funds have entered into a securities lending program with their custodian, The Bank of Nova Scotia ("BNS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the net assets of the Fund.

The Funds receive collateral of at least 102% of the value of the securities on loan. Collateral is received in the form of debt obligations of the Government of Canada, Canadian provincial and municipal governments or financial institutions, and is not included in the Statements of Investment Portfolio. The aggregated dollar values of the securities on loan and the collateral received by the Funds as at June 30, 2008 are as follows:

	Market value of securities on loan	Market value of collateral received
Scotia T-Bill Fund	$ 85,767,438	$ 90,057,515
Scotia Premium T-Bill Fund	487,617,573	511,754,627
Scotia Canadian Bond Index Fund	14,458,865	15,340,988
Scotia Mortgage Income Fund	18,889,447	19,863,285
Scotia Cassels Canadian Corporate Bond Fund	5,293,207	5,593,708
Scotia Global Bond Fund	923,298	1,014,868
Scotia Diversified Monthly Income Fund	79,067,709	82,240,445
Scotia Canadian Balanced Fund	165,533,249	173,053,658
Scotia Canadian Tactical Asset Allocation Fund	21,896,810	23,060,445
Scotia Canadian Index Fund	30,566,379	31,918,810
Scotia Canadian Dividend Fund	369,810,487	387,872,443
Scotia Canadian Blue Chip Fund	38,759,611	40,595,159
Scotia Canadian Growth Fund	131,696,765	137,215,769
Scotia Cassels Canadian Equity Fund	3,733,595	3,942,145
Scotia Canadian Small Cap Fund	46,947,556	47,647,959
Scotia Resource Fund	22,186,990	23,043,849
Scotia Cassels North American Equity Fund	32,169,242	33,603,016
Scotia U.S. Index Fund	167,400	200,533
Scotia U.S. Growth Fund	1,676,672	1,781,766
Scotia Cassels U.S. Equity Fund	1,819,243	1,888,310
Scotia International Index Fund	4,992,350	5,314,942
Scotia Global Growth Fund	11,737,340	15,405,290
Scotia Cassels International Equity Fund	4,724,908	5,564,914
Scotia European Fund	378,448	414,835
Scotia Pacific Rim Fund	419,203	458,245
Scotia International Value Fund	3,034,578	3,645,616
Scotia Global Opportunities Fund	662,331	709,510

9. Related party transactions

(a) The brokerage fees paid to Scotia Capital Inc., a wholly-owned subsidiary of BNS, and an affiliate of the Manager, during the six-month periods ended June 30, 2008 and June 30, 2007 are as follows:

	2008	2007
Scotia Diversified Monthly Income Fund	$22,303	$15,332
Scotia Canadian Balanced Fund	41,161	98,803
Scotia Canadian Tactical Asset Allocation Fund	26,946	6,069
Scotia Canadian Dividend Fund	59,575	70,020
Scotia Canadian Blue Chip Fund	740	5,513
Scotia Canadian Growth Fund	900	13,156
Scotia Cassels Canadian Equity Fund	3,049	700
Scotia Canadian Small Cap Fund	7,428	20,652
Scotia Resource Fund	1,642	5,800
Scotia Cassels North American Equity Fund	16,148	15,418

(b) Scotia Mortgage Income Fund purchases and sells mortgages from Scotia Mortgage Corporation, a wholly owned subsidiary of The Bank of Nova Scotia ("BNS") and from BNS, at an amount which will produce a yield to the Fund of not more than one-quarter of one percent less than the interest rate at which the Bank is making similar commitments.

BNS has agreed to repurchase from Scotia Mortgage Income Fund any mortgage purchased from Scotia Mortgage Corporation and from BNS at such time as the mortgage is in default. The price of the such repurchase is equal to the principal value plus unpaid interest. There are no mortgages in arrears as at June 30, 2008.

Mortgage service fees of $687,491 were paid to Scotia Mortgage Corporation for the six months ended June 30, 2008. Mortgage service fees of $650,148 were paid to Scotia Mortgage Corporation for the six months ended June 30, 2007.

(c) The Manager may enter into transactions and service arrangements with its affiliates. Scotia Capital Inc. may be involved in the purchase and sale of portfolio securities and forward contracts. Scotia Cassels Investment Counsel Limited and Scotia Capital Inc. are portfolio advisors for certain Funds. BNS acts as custodian of the Funds and as counterparty to derivatives contracts for certain Funds.

(d) Manager's investments in the Funds

The Manager, a wholly-owned subsidiary of the Bank, is the trustee, manager and principal distributor of the Funds. As of June 30th, 2008 the Manager held the following units in the following Fund:

Scotia Global Climate Change Fund	80,000 Class A units

10. Comparative figures

Certain prior period comparative amounts have been restated to conform to the current period's presentation.

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