

**SCOTIABANK US DOLLAR BOND FUND
SCOTIABANK GLOBAL GROWTH FUND
SCOTIABANK US GROWTH FUND
SCOTIABANK CANADIAN GROWTH FUND
SCOTIABANK MONEY MARKET FUND**

(the “Scotiabank Mutual Funds”)

**Addendum to the
Prospectus dated May 2010
(the “Addendum”)**

Application has been made to the Cayman Islands Stock Exchange for the Shares to be admitted to the Official List.

The Addendum includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Addendum and confirm, having made reasonable enquiry, which to the best of their knowledge and belief there are no facts the omission of which would make any statement within the Addendum misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document. To the Directors knowledge, there is no material change in the financial or trading position of the Funds since the date to which the latest audited financial statements were made up, nor are the Directors aware of any material information which may be relevant to the financial prospects of the Funds for at least the current financial year.

This Addendum should be read in conjunction with and forms part of the Prospectus dated May 2010 (the “Prospectus”). All capitalised terms herein contained shall have the same meanings in this Addendum as in the Prospectus, unless otherwise stated.

This Addendum sets out the new Share Class structure and changes to Directors for the Scotiabank Mutual Funds in relation to the Prospectus dated May 2010. All other terms and conditions of the prospectus remain unchanged.

NEW SHARE CLASSES

It was resolved by written resolution dated July 21 2011 that several new Share Classes across the Scotiabank Mutual Funds will be offered to eligible investors. These Classes are the Class NU and Class IU (denominated in US dollars) for Scotiabank US Dollar Bond Fund, Scotiabank Global Growth Fund, Scotiabank US Growth Fund and Scotiabank Canadian Growth Fund, Class NC, AC, and IC (denominated in Canadian dollars) for the Scotiabank Canadian Growth Fund, and Class IU for the Scotiabank Money Market Fund. The Management Fee and initial sales charge for each new Class of each of the Scotiabank Mutual Funds are provided in the table below. The admission date for Class NU, Class NC. Class AC is July 29, 2011. Class IU and Class IC will be approved to be admitted at a later date.

These new Classes will invest alongside the respective existing classes of the Scotiabank Mutual Funds and so are subject to the investment objectives and risks of the respective existing classes with the same terms for subscription and redemption included in the Prospectus. There will not be any currency hedging where the Class currency differs from the base currency of the relevant Scotiabank Mutual Fund and so investors are exposed to foreign currency fluctuations.

Class NU SUS		
Fund	Management Fee% per annum	Initial Sales Charge
Scotiabank US Dollar Bond Fund	1.70%	Nil
Scotiabank Global Growth Fund	2.45%	Nil
Scotiabank US Growth Fund	2.20%	Nil
Scotiabank Canadian Growth Fund	2.45%	Nil

Class NC SCDN		
Fund	Management Fee % per annum	Initial Sales Charge
Scotiabank Canadian Growth Fund	2.45%	Nil

Class AC SCDN		
Fund	Management Fee % per annum	Initial Sales Charge
Scotiabank Canadian Growth Fund	2.00%	Up to 5.00%

Class IU SUS		
Fund	Management Fee % per annum	Initial Sales Charge
Scotiabank US Dollar Bond Fund,	N/A	Nil
Scotiabank Global Growth Fund,	N/A	Nil
Scotiabank US Growth Fund,	N/A	Nil
Scotiabank Canadian Growth Fund	N/A	Nil
Scotiabank Money Market Fund	N/A	Nil

Class IC SCDN		
Fund	Management Fee % per annum	Initial Sales Charge
Scotiabank Canadian Growth Fund	N/A	Nil

Trailing commissions may be paid by the Manager to distributors.

The minimum initial investment for the new Classes will be US\$1,000 for Class NU, NC and AC. For Class IU and IC the minimum initial investment amounts shall be such amounts as approved by the Directors from time to time. There are no aggregate amounts to be subscribed and typically only cash will be accepted for subscriptions. For further information please see section titled, "TRANSACTIONS - SUBSCRIPTION, REGISTRATION, REDEMPTION, TRANSFER AND EXCHANGE" on page 10 of the Prospectus.

The initial offer price and the initial Net Asset Value for Class NU, NC and AC on July 29, 2011 will be:

<u>Class NU (USD) Shares</u>	<u>Initial offer price</u>
Scotiabank US Dollar Bond Fund	US\$2.50
Scotiabank Global Growth Fund	US\$2.00
Scotiabank US Growth Fund	US\$8.00
Scotiabank Canadian Growth Fund	US\$3.25

<u>Class NC and AC (Canadian Dollars) Shares</u>	<u>Initial offer price</u>
Scotiabank Canadian Growth Fund	CDN\$3.25

The subsequent issue price will be determined by reference to the Net Asset Value of the new Class on the applicable Dealing Day.

The Funds are not permitted to borrow money, except for temporary borrowings, not exceeding 5% of the Net Asset Value of the relevant Fund (measured as of the date of the borrowing).

The new Shares of the Funds are redeemable preferred shares, authorised up to 100,000,000. For further information please see section titled "GENERAL INFORMATION -Capitalization" on page 19 of the Prospectus.

The new Share Classes of the Funds will be offered indefinitely.

Shares are issued in registered form and no certificates will be issued. Each Fund will issue a transaction confirmation which will act as confirmation of purchase.

The new Share Classes are freely transferable. For further information see section titled "Transfer of Ownership" on page 11 of the Prospectus.

There are no underwriters to the new Classes

Shares will be redeemed at the redemption price determined by reference to the Net Asset Value of the relevant Fund (see section titled "Valuation" in the Prospectus) on the applicable Dealing Day. For further information please see section titled "Redemption" on page 11.

Any amount of Shares may be redeemed on any Dealing Day for cash.

The Funds may redeem their Shares at the current redemption price, in certain circumstances as described in the section titled "COMPULSORY REDEMPTION" on page 14 of the Prospectus.

Each Fund may establish, by resolution of its Directors, separate portfolios known as "Sub Funds" from time to time. The Fund may establish multiple Classes of Shares, which may have terms that differ from those governing the other classes of Shares, without obtaining the consent of Shareholders. A Shareholder holding Shares in one Fund may exchange such Shares for Shares in any of the other Funds described in the Prospectus.

The Net Asset Value of each of the Funds will be determined by the Manager as at the close of business on each Dealing Day. Further information can be found in the section titled "VALUATION", on page 13 of the Prospectus. The Net Asset Value per Share of each Fund, Sub Class and Class (as applicable) are published on Bloomberg, may be published in local papers and are available on the Cayman Islands Stock Exchange website. The determination of Net Asset Value of the Funds may be declared suspended by the Directors for the whole or part of a period as described on page 13 and page 14 of the Prospectus under the subheading "Suspension".

The rights and entitlement of holders of each Class of Shares in the Funds can be located in the Prospectus under the heading "GENERAL INFORMATION" and subheading "Capitalization" on page 19.

No Director shall vote in respect of any contract, arrangement or any proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in Shares, as a Scotiabank employee or his interest in any other company as officer or shareholder, provided he is not the holder of or beneficially interested in one per cent or more of the issued shares or the voting rights available to members of the relevant company, which is deemed to be a material interest in all circumstances. A Director shall be counted in the quorum at a meeting in

relation to any resolution on which he is debarred from voting. The Directors can determine their own remuneration, with or without an independent quorum. The Directors can exercise all powers to borrow money. Share capital can be increased by ordinary resolution.

No litigation or claims against any of the Funds or initiated by any of the Funds are known to the Directors or Manager as at the date hereof.

So far as is known to any director of the Funds, no person(s) exercises or could exercise control over any of the Funds.

No initial sales charge is payable on class NU, NC, IU, or IC. With the exception of Scotiabank Money Market Fund, an initial sales charge of up to 5% of the total amount paid by Subscribers may be deducted by the Manager and paid as a commission to the authorized Distributor for class A and AC. With the exception of Shares of the Scotiabank Money Market Fund, Shares that are redeemed or exchanged within 90 days of purchase may be subject to a redemption fee of up to 2% of the redemption amount, payable back to the Fund, at the discretion of the Manager. Further particulars can be located on page 17 of the Prospectus under the subheading "Fees and Expenses Payable Directly by the Shareholders".

The Funds have provided the latest audited financial statements to the Cayman Islands Stock Exchange and are incorporated by reference herein.

The terms of the new Classes are subject to the Articles of Association of each Fund.

The scheduled date of admission for listing NU, NC and AC Class Shares is July 29 2011. The remaining IU and IC Classes are approved to be listed at a later date.

CHANGES TO DIRECTORS

With board resolution, the following changes to directors occurred effective July 19, 2011. That being, Bruce John's resignation as a director of the Scotiabank Mutual Funds was accepted and Farried Sulliman became an independent director of the Scotiabank Mutual Funds. On May 29, 2011 Bruce John resigned as a director of the Fund Manager, Scotiabank & Trust (Cayman) Ltd. and Farried Sulliman became an independent director thereof.

Effective July 19, 2011, Doug Cochrane was appointed as director of the Scotiabank Mutual Funds and on May 24, 2011 director of the Fund Manager, Scotiabank & Trust (Cayman) Ltd. and his biography is as follows:-

Doug Cochrane is the new managing director and Country Head of Scotiabank & Trust (Cayman) Ltd. Formerly he worked with Scotiabank (Turks and Caicos) Ltd as Managing Director from 2007 to 2011 where he was responsible for the management of all commercial and corporate portfolios. In 2006 to 2007 he worked with Scotiabank Inverlat as Director of Sales and Services where he was developing and researching the small business market in Mexico. Between 2001 to 2006 Doug was the Country Manager of Scotiabank in St Kitts and Nevis, where he had treasury responsibilities for 6 Countries. Previous to that he maintained various other banking positions. Doug graduated from Acadia University with a Bachelor of Business Administration, major in Accounting and Finance.

July 29 2011

This Addendum will form an integral part of the existing Prospectus.