

FUND DESCRIPTION

This Fund invests primarily in the equity securities of companies around the world to achieve capital appreciation over the long term. The Fund's assets are primarily invested in larger companies and are diversified by sector, industry, country and company.

Investment objective: The objective of this Fund is long term capital growth.

Inception date: August 31, 1994.

FUND ADVISOR:

Davis Advisors is an independent money management firm that manages approximately \$75 billion in assets on behalf of individual and institutional clients worldwide. Davis Advisors' investment philosophy of buying durable well-managed companies at attractive prices and holding them for the long term has proven highly successful for more than 60 years. The Davis family and employees of Davis Advisors have approximately \$2 billion invested in mutual funds that the firm manages.

FUND QUICK FACTS:

Mgmt Fee: 2.00%

NAV: US\$ 1.6800

AUM: US\$ 10,051,264.28

Bench Mark: MSCI All Country World Index

Fund Code: SBF 103

Number of Holdings: 57

SALES CHARGES

A front-end load may apply.

ASSET CLASS

Growth.

PORTFOLIO BREAKDOWN[^]

SECTORS:	Fund %	Index/ Benchmark %
Financials	18.7	21.7
Consumer Staples	16.9	9.4
Health Care	16.5	8.6
Industrials	16.0	10.5
Inform. Technology	9.2	12.2
Materials	8.2	8.1
Cons. Discretionary	5.1	9.6
Telecom. Services	3.5	4.7
Energy	3.1	10.7
Utilities	3.0	4.2
Total	100.0	100.0

MARKET COMMENTARY

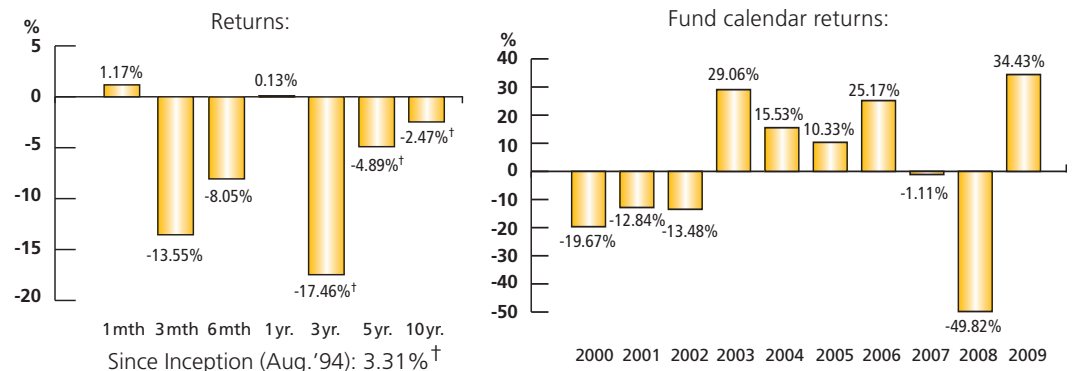
The Scotiabank Global Growth Fund returned -14.41% over the past 3 months and 5.52% over the past 12 months relative to a return of -13.26% and 8.02%, respectively, for its benchmark, the MSCI World Free Index.

The Fund lagged its benchmark primarily due to negative security selection. Key detractors from fund performance included securities from the Consumer Discretionary sector such as Nokia, Royal Caribbean Cruises and Esprit. Key contributors to fund performance included securities from the Consumer Staples sector, including Altria and Carlsberg. All sectors declined during the quarter. The Fund benefitted from an overweight position in the conservative Telecommunications sector.

Volatility returned to global financial markets in the 2nd quarter as investors grew increasingly concerned about unsustainable levels of government debt in Greece and other European countries. As volatility rose, stocks fell in both developed and emerging markets and bonds with a lower credit quality dropped in value. Economic growth in the US was nearly 3% in the first quarter due to increased exports but it is expected to slow in the upcoming months. First quarter GDP growth was 1.2% in Japan, 0.2% in Europe and 11.9% in China. Chinese economic growth has returned to pre-recessionary levels.

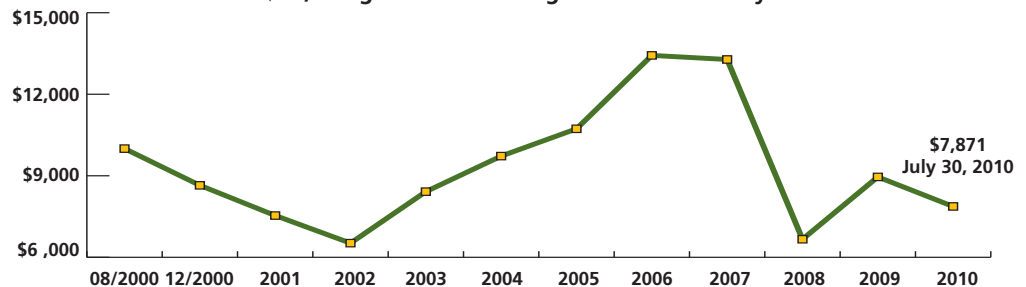
FUND PERFORMANCE

The Fund's return was 1.17% for the month compared to 8.02% for its benchmark.



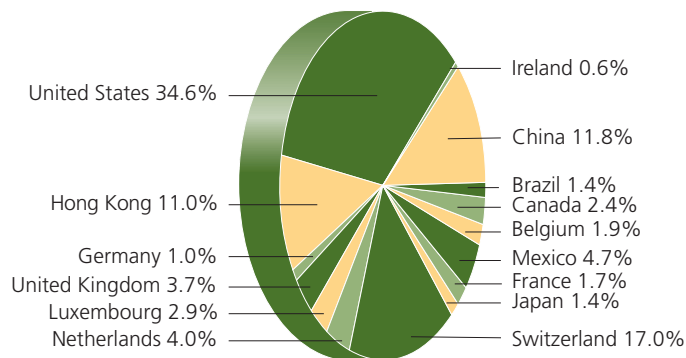
Net Asset Values and performance figures are net of all Fund expenses.

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



LARGEST HOLDINGS:

Google Inc., Kuehne + Nagel Intl, Hang Lung Group Ltd, Coca Cola Co, ABB Ltd



Important information about Scotiabank Mutual Funds is contained in the Funds' prospectus. Copies are available from Scotiabank and Scotiastore branches and should be read carefully before investing. Share values and investment returns for the Funds will fluctuate. Past performance is not indicative of future performance. Scotiabank Mutual Funds are not insured by, nor guaranteed by, The Bank of Nova Scotia.

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^{*} Trademark of The Bank of Nova Scotia, used under licence. [†] Average annual compound rate of return. [^] As of June 30, 2010. (08/10)