

# ScotiaFunds®

## Annual Information Form

November 19, 2014

### Scotia Aria™ Portfolios

**Scotia Aria Conservative Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Conservative Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Conservative Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Moderate Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Moderate Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Moderate Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Progressive Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Progressive Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Progressive Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

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*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

***The Funds and the securities they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission and may be offered and sold in the United States only in reliance on exemptions from registration.***

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## NAMES AND FORMATION OF THE FUNDS

This is the annual information form (“**Annual Information Form**”) of the Scotia Aria™ Portfolios, which includes Scotia Aria Conservative Build Portfolio, Scotia Aria Conservative Core Portfolio, Scotia Aria Conservative Pay Portfolio, Scotia Aria Moderate Build Portfolio, Scotia Aria Moderate Core Portfolio, Scotia Aria Moderate Pay Portfolio, Scotia Aria Progressive Build Portfolio, Scotia Aria Progressive Core Portfolio, Scotia Aria Progressive Pay Portfolio (in this document we refer to these funds individually as a “**Fund**” or collectively as the “**Funds**”). The Funds are a family of mutual funds consisting of open-end mutual fund trusts governed under the laws of Ontario.

1832 Asset Management L.P. (formerly Scotia Asset Management L.P.) is the manager and the trustee (the “**Manager**”, “**Trustee**”, “**we**”, “**us**” or “**our**”) of the Funds. The head office of the Manager and of the Funds is located at 1 Adelaide Street East, 28<sup>th</sup> Floor, Toronto, Ontario, M5C 2V9. The Manager can also be contacted via telephone toll-free, at 1-800-268-9269 (416-750-3863 in Toronto) or via email through its website at [www.scotiabank.com](http://www.scotiabank.com). Information regarding the Manager can be obtained on its website at [www.scotiabank.com](http://www.scotiabank.com).

Each of the Funds was established under the laws of Ontario and is governed by a master declaration of trust dated November 24 2011 and amended on November 19, 2012, July 11, 2013, September 16, 2013, November 8, 2013, December 30, 2013, January 15, 2014, November 12, 2014, and November 19, 2014 (the “**Master Declaration of Trust**”). For additional information concerning the Master Declaration of Trust, you should refer to *Material Contracts – Master Declaration of Trust* in this annual information form.

## INVESTMENT RESTRICTIONS AND PRACTICES

The Funds’ simplified prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors for the Funds. In addition, the Funds are subject to certain restrictions and practices contained in securities laws, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”), which are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the appropriate administration of the Funds. Except for the deviations described below, each Fund is managed in accordance with these restrictions and practices. The Funds have permission from securities regulatory authorities to deviate from certain provisions of NI 81-102 and from certain provisions of securities laws as described below.

The fundamental investment objectives of a Fund may not be changed without the approval of a majority of voting unitholders.

### Self-Dealing Restrictions

#### *Offerings Involving a Related Underwriter*

The Funds are considered dealer managed mutual funds and follow the dealer manager provisions prescribed by NI 81-102.

The Funds cannot knowingly make an investment during, or for 60 days after, the period in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in an offering of equity securities (the “**Prohibition Period**”), unless the offering is being made under a prospectus and such purchases are made in compliance with the approval requirements of National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”).

The Funds, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

- (a) purchase securities of a Canadian reporting issuer which are (i) equity securities, or (ii) convertible securities, such as special warrants, which automatically permit the holder to purchase, convert or exchange such convertible securities into other equity securities of the reporting issuer once such other equity securities are listed and traded on an exchange, pursuant to a private placement during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer;
- (b) purchase non-government debt securities which do not have an approved rating during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer; and
- (c) invest in equity securities of an issuer that is not a reporting issuer in Canada during the Prohibition Period, whether pursuant to a private placement of the issuer in Canada or in the United States or a prospectus offering of the issuer in the United States of securities of the same class, notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer.

#### *Transactions with Related Parties*

The Funds are subject to certain restrictions when dealing with, or investing in, the Manager or parties related to the Manager. The Funds, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

- (a) purchase debt securities from, or sell debt securities to, related dealers that are acting as principal dealers in the Canadian debt securities market, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions; and
- (b) purchase long-term debt securities issued by Scotiabank, an affiliate of the Manager, and other related issuers in the primary and secondary markets, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions.

#### *Inter-Fund Trades*

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities to engage in inter-fund trading, which would otherwise be prohibited under various applicable securities legislation. Inter-fund trading permits related investment funds and managed accounts to trade portfolio securities held by one of them with the others. Under the exemptive relief, the Funds may engage in inter-fund trading of debt securities and exchange traded securities on certain conditions aimed at ensuring that the trade is made at the market price at the time of the trade and that no additional commissions are paid. The Independent Review Committee (the “**IRC**”) for the Funds and other investment funds managed by the Manager must approve the inter-fund trades in accordance with the approval requirements of NI 81-107.

## **Derivatives**

The Funds may use or invest in derivative instruments consistent with their investment objectives and as permitted by applicable securities laws. The Funds may use derivatives to hedge against certain investment risks, such as currency and interest rate fluctuations and stock market volatility. The Funds may also invest in derivatives for non-hedging purposes, such as creating exposure to domestic and international financial markets, investing in financial market downturns and facilitating and reducing the cost of portfolio transactions.

## **Securities Lending, Repurchase and Reverse Repurchase Transactions**

The Funds may enter into securities lending, repurchase and reverse repurchase transactions consistent with their investment objectives and as permitted by applicable securities and tax laws. A securities lending transaction is where a mutual fund lends certain qualified securities to a borrower in exchange for a negotiated fee without triggering a disposition of the securities for tax purposes. A repurchase transaction is where a mutual fund sells a security at one price and agrees to buy it back from the same party at a specified price on a specified date. A reverse repurchase transaction is where a mutual fund buys securities for cash at one price and agrees to sell them back to the same party at a specified price on a specified date. Securities lending, repurchase and reverse repurchase transactions involve certain risks. If the other party to these transactions goes bankrupt or is for any reason unable to fulfill its obligations under the agreement, the fund may experience difficulties or delays in receiving payment. To address these risks, any securities lending, repurchase or reverse repurchase transactions entered into by a Fund will comply with applicable securities laws, including the requirement that each agreement be, at a minimum, fully collateralized by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The Funds will enter into securities lending, repurchase or reverse repurchase transactions only with parties that we believe, through conducting credit evaluation, have adequate resources and financial ability to meet their obligations under such agreements (“qualified borrowers”). In addition, a Fund will not expose more than 10% of the total value of its assets with any one entity under these agreements. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a Fund will not exceed more than 50% of the NAV (defined below) of that Fund immediately after the Fund enters into such a transaction.

## **Short Selling**

Certain mutual funds may be permitted to engage in a limited amount of short selling under securities regulations. A "short sale" is where a mutual fund borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the mutual fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities, the mutual fund makes a profit for the difference (less any interest the fund is required to pay to the lender). In this way, the mutual fund has more opportunities for gains when markets are generally volatile or declining.

The Funds engage in short selling only within certain controls and limitations. Securities are sold short only for cash. As well, at the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the NAV of the Fund. The aggregate market value of all securities sold short by a Fund will not exceed 20% of the NAV of the Fund. The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover (as defined in NI 81-102) in an amount, including the Fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Fund to purchase long positions other than cash cover. The Funds will also abide by all other NI 81-102 restrictions relating to short selling.

## **UNITS OF THE FUNDS**

### **What are units and series of units of the Funds?**

A Fund may offer one or more series of units. Each series is intended for different investors. Each series of units of a Fund may have different management fees, administration fees and other expenses attributable to that series of units.

Each of the Funds is authorized to issue an unlimited number of series divided into an unlimited number of units, each of which represents an equal undivided interest in the property of that particular Fund.

Scotia Aria Conservative Build Portfolio offers Series A and Premium Series units; Scotia Aria Conservative Core Portfolio offers Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units; Scotia Aria Conservative Pay Portfolio offers Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units; Scotia Aria Moderate Build Portfolio offers Series A and Premium Series units; Scotia Aria Moderate Core Portfolio offers Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units; Scotia Aria Moderate Pay Portfolio offers Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units; Scotia Aria Progressive Build Portfolio offers Series A and Premium Series units; Scotia Aria Progressive Core Portfolio offers Series A, Series TL, Series T, Series TH,

Premium Series, Premium TL Series, Premium T Series and Premium TH Series units; and Scotia Aria Progressive Pay Portfolio offers Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units.

As a holder of units of a Fund, you have the rights described below. Fractional units carry the rights and privileges and are subject to the restrictions and conditions described for units in the proportions that they bear to one unit, except that any holder of a fractional unit is not entitled to vote in respect of such fractional unit.

When issued, units of each Fund are fully paid and non-assessable and have no pre-emptive or conversion rights. Fractions of units may also be issued. As a holder of units of a Fund, you are entitled to require the Fund to redeem your units at the price described under *How to Sell Units*. Your units are generally redeemable without restriction. Upon liquidation or termination of a Fund, each unitholder of a series is entitled to participate ratably in the assets of the Fund attributable to that series.

Each unitholder of a Fund is entitled to vote on certain amendments to the Master Declaration of Trust in accordance with such document or where required by securities laws. A separate series vote is required if a particular series is affected in a manner that is different from other series. At a unitholder meeting called to vote on these issues, a unitholder will be entitled to one vote per unit of a Fund.

Subject to any exemption obtained by a Fund from applicable securities laws, or as otherwise may be permitted under securities laws, the following matters currently require unitholder approval pursuant to securities laws:

1. the appointment of a new manager, unless the new manager is an affiliate of the Manager;
2. a change in the fundamental investment objectives of a Fund;
3. a decrease in the frequency of calculating the NAV per unit of a Fund;
4. changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its unitholders, except in certain circumstances as permitted under securities laws;
5. introducing a fee or expense, to be charged to a Fund or directly to its unitholders by the Fund or the Manager in connection with holding units of the Fund, in a way that could result in an increase in charges to the Fund or its unitholders, except in certain circumstances as permitted under securities laws;
6. where a Fund undertakes a reorganization with, or transfers its assets to, another issuer, and the Fund ceases to continue after the reorganization or transfer of its assets and the transaction results in unitholders of the Fund becoming securityholders of the other issuer. Notwithstanding the foregoing, no unitholder approval will be required for such a change if that change is approved by the IRC

of the Fund, the assets of the Fund are being transferred to another mutual fund to which NI 81-102 and NI 81-107 both apply and that is managed by the Manager or an affiliate of the Manager, the reorganization or transfer of assets complies with other relevant securities legislation, and written notice of the reorganization or transfer is sent to the Fund's unitholders at least 60 days prior to the effective date of the reorganization or transfer;

7. where a Fund undertakes a reorganization with, or acquires assets from, another issuer, continues after such reorganization or acquisition of assets, and the transaction results in the securityholders of the other issuer becoming unitholders of the Fund and the transaction would be a material change to the Fund; and
8. where a Fund is restructured into a non-redeemable investment fund or into an issuer that is not an investment fund.

Because unitholders are not charged sales commissions or redemption fees when they invest in or redeem any series of units of the Funds, unitholder meetings are not required to approve the introduction of a fee or expense or any increase in the fees or expenses charged to the Funds or directly to unitholders if the unitholders of the applicable series are notified of the change at least 60 days before the effective date of the introduction or increase.

### **How the Units are Valued**

How much a Fund is worth is called its "net asset value" ("**NAV**"). When a Fund calculates its NAV, it determines the market value of all of its assets and subtracts all of its liabilities. Separate NAVs are calculated for each series of a Fund at the end of each day based on each series' share of the Fund's NAV as determined in accordance with the Fund's Master Declaration of Trust. The series NAV per unit ("**NAV per unit**") is calculated daily by dividing (i) the current market value of the proportionate share of the assets allocated to the series, less the liabilities of the series and the proportionate share of the common expenses allocated to the series, by (ii) the total number of units of that series outstanding at such time. A unit's NAV is very important because it is the basis on which units of a Fund are purchased and redeemed. The series NAV per unit of a Fund varies from day to day. A Fund calculates the NAV of the units at the close of business on each valuation date. Every day that the Toronto Stock Exchange is open for trading or each other day required for tax, accounting or distribution purposes of each year is a "Valuation Date". In unusual circumstances, calculation of the NAV per unit may be suspended, subject to obtaining any necessary regulatory approval.

### **Valuation of Portfolio Securities and Liabilities**

The NAV of a Fund must be calculated using the fair value of the Fund's assets and liabilities.

The value of the assets of a Fund are calculated using the following valuation principles:

1. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date as of which the NAV is

being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such amount is not worth the full amount thereof, in which event the value shall be the fair value as determined by the Manager;

2. the value of any security which is listed on a stock exchange or traded on an over-the counter market will be (A) the closing sale price on that day or, (B) if there is no such closing price, the average of the bid and the ask price at that time, or (C) if no bid or ask price is available, the price last determined for such security for the purpose of calculating NAV of the Fund. The value of interlisted securities shall be computed in accordance with directions laid down from time to time by the Manager. Notwithstanding the foregoing, if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to reflect any redemption of units, the value thereof shall be the fair value of such securities as determined by the Manager. In calculating the fair value of foreign securities, the Manager will place values on such securities which appear to most closely reflect the fair value of such securities at the time of NAV calculation;
3. the value of the securities of any other mutual fund will be the NAV per security on the Valuation Date or, if such date is not a valuation date of the mutual fund, the NAV per security on the most recent valuation date for the mutual fund;
4. the value of long positions in clearing corporation options are based on the mid price and the value of long positions in options on futures, debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;
5. where a covered clearing corporation option or over-the-counter option is written by the Fund the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the value of the clearing corporation option or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Fund; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (2) above;
6. the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless "daily limits" are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;

7. the value of any restricted security shall be determined based on the discretion of the Manager, such that it is fair and reasonable and in accordance with the valuation policy set out by the Manager; and
8. the value of any security or other asset for which a market quotation is not readily available, will be its fair value on that day determined in such manner as the Manager deems to be appropriate.

For the purpose of any conversion of monies from any other currency to Canadian currency, the current rate of exchange as quoted to such Fund by its bankers as nearly as practicable at the time as of which the NAV is being computed is used.

The Manager will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* ("**NI 81-106**"), the fair value of a portfolio security used to determine the daily price of a Fund's securities for purchases and redemptions by investors will be based on the Fund's valuation principles set out above under the heading "Valuation of Portfolio Securities and Liabilities", which comply with the requirements of NI 81-106 but differ in some respects from the requirements of International Financial Reporting Standards ("**IFRS**"), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of a Fund (the "**Financial Statements**") are required to be prepared in compliance with IFRS. The Fund's accounting policies for measuring the fair value of its investments (including derivatives) are identical to those used in measuring its NAV for transactions with unitholders, except as disclosed below.

The fair value of the Fund's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the "**Reporting Date**"). The fair value of the Fund's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the "**Close Price**").

In contrast, for IFRS purposes, the Fund uses the Close Price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment, the fair value of the financial assets and liabilities of the Fund determined under IFRS may differ from the values used to calculate the NAV of the Fund.

The Notes to the Financial Statements of a Fund will include a reconciliation of the differences between the NAV calculated based on IFRS and NI 81-106.

## HOW TO PURCHASE AND SELL UNITS OF THE FUNDS

### How to Purchase Units

Units of the Funds are offered for sale on a continuous basis at their NAV per unit from time to time, computed in the manner described under *How the Units are Valued*. There are generally no sales commissions or other fees payable on the purchase of units. All series of units of the Funds may be purchased directly from Scotia Securities Inc. in such provinces and territories where Scotia Securities Inc. is qualified to receive orders for purchase or with dealers and brokers qualified in your province or territory. Orders to purchase units of the Funds may also be placed with representatives of Scotia Securities Inc. at branches of Scotiabank and The Bank of Nova Scotia Trust Company (“**Scotiabank**”).

Series A units and Premium Series units are intended for investors that are not seeking stable monthly distributions. Series T, Series TL and Series TH units as well as Premium T Series, Premium TL Series and Premium TH Series units are intended for investors seeking stable monthly distributions. Monthly distributions on those series of units will consist of net income, net realized capital gains and/or a return of capital. The amount of monthly distributions paid varies from series to series and from Fund to Fund. See *Distribution policy* in the profile of each Fund that offers one or more of these series. Any net income and net realized capital gains in excess of the monthly distributions will be distributed annually at the end of each year.

The principal difference between (i) Series A, Series T, Series TL and Series TH units and (ii) Premium Series, Premium T Series, Premium TL Series and Premium TH Series units relates to the minimum aggregate investment required to invest in the Scotia Aria Portfolios. The minimum aggregate investment amounts are determined by us and may change from time to time. You will find more information about the minimum investment and the different series of units in the simplified prospectus of the Funds under *Minimum investments* and *About the series of units*, respectively.

All orders for units of a Fund will be forwarded to the Fund for acceptance or rejection and the Fund reserves the right to reject any order in whole or in part. Dealers and brokers must transmit an order for units to the head office of a Fund and must make such transmittal wherever practical by courier, priority post or telecommunications facility without charge to you on the same day your completed purchase order is received. As a security policy (which may be changed at the discretion of the Manager) the Funds, except as provided below, generally will not accept purchase orders placed by telephone or wire directly by an investor. The decision to accept or reject your purchase order will be made promptly and, in any event, within one business day of receipt of your order by the Fund. Telephone orders and Internet orders may be placed with Scotia Securities Inc. representatives at branches or call centres of the Scotiabank Group. Speak to your registered investment professional for details. If your order is rejected, all monies received with your rejected order will be returned to you immediately.

The first time you purchase Series A, Series T, Series TL or Series TH units you must invest at least \$150,000, in aggregate, in the Scotia Aria Portfolios. If you invest in these series of units then at all times you must continue to hold units of the Scotia Aria Portfolios having an aggregate value of not less than \$150,000. If the aggregate value of your units drops below \$150,000 then we have the option of redeeming your units.

The first time you purchase Premium Series, Premium TL Series, Premium T Series or Premium TH Series units you must invest at least \$300,000, in aggregate, in the Scotia Aria Portfolios. If you invest in these series of units then at all times you must continue to hold units of the Scotia Aria Portfolios having an aggregate value of not less than \$300,000. If the aggregate value of your units drops below \$300,000 then we have the option of redeeming your units or switching them to Series A, Series T, Series TL, or Series TH units of the same portfolio (as applicable).

Each subsequent investment in a Scotia Aria Portfolio is subject to a minimum investment of \$100.

The required minimum investment amounts outlined above are determined by us and may change from time to time.

The NAV per unit for the purpose of issuing units is the NAV per unit next determined following receipt of a purchase order. No unit certificates will be issued by the Funds.

Payment for all orders of units must be received at the head office of the Funds on or before the third business day from (but not including) the day the subscription price for the units is determined. Where payment of the subscription price is not received, a Fund is deemed to have received and accepted on the first business day following such period an order for redemption of the units and the redemption proceeds are applied to reduce the amount owing to the Fund in respect of the purchase of the units. If the amount of the redemption proceeds exceeds the subscription price of the units, the Fund is permitted to retain the excess. If the amount of the redemption proceeds is less than the issue price of the units, we must pay to the Fund the amount of the deficiency. We are entitled to collect such amounts together with its costs, charges and expenses in so doing and interest thereon from dealers or brokers making the order for units. Those dealers or brokers may, in turn, collect such amounts from the investor who failed to pay the subscription price.

Other than the short-term trading fee described below, the Funds do not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing unitholders 60 days written notice of the amount and particulars of such fee. The Funds currently have no intention to impose such fees on any of the series described in this annual information form during the next 12 months.

## **Sales Charges**

You may pay a sales charge or other fee if you buy units of a Fund through a dealer other than Scotia Securities Inc. You negotiate any charge or fee directly with your dealer. All series of units of the Funds are “no load”. That means you do not pay a sales commission when you buy, switch or sell these units through us or our affiliates.

## Trailing Commissions

The Manager may pay Scotia Securities Inc. or other brokers and registered dealers a trailing commission on all series of units of the Funds. This fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of the units held by clients of a broker or dealer.

## How to Switch Funds

You can switch from one ScotiaFund to another ScotiaFund as long as you are eligible to hold the particular series of the ScotiaFund into which you switch. When your order is received, the units of the first ScotiaFund are sold, and the proceeds are used to buy units of the second ScotiaFund. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee.

## How to Reclassify Units

You can reclassify your units of one series to another series of units of the same Fund, as long as you are eligible to hold that series. Your dealer may charge you a fee to reclassify your units.

## How to Sell Units

You may at any time sell your units back to a Fund by following the procedures described in the following section, unless at that time the Fund's obligation to purchase your units has been temporarily suspended by the Fund with, where necessary, the prior consent of the Ontario Securities Commission. Your request to have a Fund buy back your units constitutes a "redemption" by the Fund when completed and may be referred to in this annual information form as a "sell order" to the Fund. The redemption price for the units which are the subject of your sell order will be the NAV per unit next determined following receipt of your sell order by the Fund. Payment for your units sold will be made within three business days after receipt by the Fund of your sell order. **The Manager cannot accept sell orders specifying a forward date or price, and sell orders will not be implemented before the Manager has actually received payment for units issued to you under a prior purchase order.**

Short-term trading (including "market-timing" trading) can increase a Fund's expenses, which affects all unitholders of the Fund. The Manager has systems in place to monitor for short-term trades. These systems have the capability to detect and mark any redemption or switching that occurs within 31 days of the purchase of the relevant units. If it is determined that a redemption or switch constitutes a short-term trade, the Fund will charge a fee of 2% of the amount redeemed or switched. This short-term trading fee is retained by the Fund. While the fee will generally be paid out of the redemption proceeds of the Fund in question, the Manager has the right to redeem units of other Funds in your account without notice to you to pay for the short-term trading fee. The Manager may, in its sole discretion, decide which units should be redeemed and the manner in which to do so. The Manager may waive the fee in certain circumstances and in its sole discretion.

The short-term trading fee does not apply to: (i) transactions not exceeding a certain minimum dollar amount, as determined by the Manager from time to time; (ii) trade corrections or any other action initiated by the Manager or the applicable portfolio advisor; (iii) transfers of units of one Fund between two accounts belonging to the same unitholder; (iv) regularly scheduled automatic withdrawal payments in Registered Plans (defined below); and (v) reclassifying units from one series to another series of the same Fund.

The Manager may cause the redemption of all outstanding units of a Fund held by a unitholder after giving 10 days written notice if the aggregate NAV of such units in a Fund declines below the minimum initial purchase amounts described under *How to Purchase Units*.

### **How to Submit a Sell Order**

The following is a summary of the procedure that you must follow when submitting a sell order. The Manager, however, may from time to time adopt additional permissible procedures and, if so, will advise all unitholders of such procedures.

Your sell order must be in writing and bear an authorized signature from your bank, trust company or registered dealer or broker and such other evidence of proper authority as a Fund may reasonably require. Any sell order by a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by customary documentation evidencing the signatory's authority. Sell orders are effective only when all documentation is in order and received by the head office of a Fund. Any of these requirements may be waived at any time without notice in the absolute discretion of the Manager. Your sell order may be submitted to Scotia Securities Inc. in such provinces and territories where Scotia Securities Inc., is qualified to sell units of the Funds. Sell orders may also be submitted to your registered dealer or broker. Dealers and brokers must transmit the particulars of a sell order to a Fund on the same day it is received at no charge to the investor and to make such transmittal wherever practical by courier, priority post or telecommunications facility. As a security policy (which may be changed at the discretion of the Manager), the Funds will generally not accept sell orders placed by telephone, wire or by other electronic means directly from unitholders.

If a unitholder fails to provide a Fund with a duly completed sell order within ten business days of the date on which the NAV was determined for purposes of the sell order, the Fund is deemed to have received and accepted, as of the close of business on the tenth business day, an order for the purchase of the equivalent number of units being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such units. If such amount is less than the redemption proceeds, the Fund is permitted to retain the excess. If such amount exceeds the redemption proceeds, we must pay the applicable Fund the amount of the deficiency. We are entitled to collect such amount together with its costs and interest thereon from dealers or brokers placing the redemption order and those dealers or brokers may collect such amounts from the investor who failed to provide the duly completed sell order. Where no other dealers or brokers have been involved in a redemption order, Scotia Securities Inc. is entitled to collect such amounts described above directly from the investor who failed to provide the duly completed sell order.

All sell orders will be processed in the order in which they are received. Sell orders involving transfers to or from Registered Plans may incur delays if the transfer documents are not completed in the sequence prescribed by Canada Revenue Agency, and release of the sale proceeds cannot be made by a Fund until all administrative procedures involved with such Registered Plans are complete.

## **INVESTMENT OPTIONS**

For a description of the various investment options available please see the simplified prospectus of the Funds. Some further details are included below:

### **Pre-Authorized Contributions**

You can set up regular pre-authorized contributions for any of the series of units of the Funds held by you provided that you meet the minimum investment amounts indicated under *How to Purchase Units*. You select the frequency of your purchases, which may be weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually, by pre-authorizing payments from your bank account at Scotiabank or any other major Canadian financial institution.

You may change the amount of each purchase or the frequency of purchase or you may discontinue the plan at any time without penalty by contacting your mutual fund representative. Forms used to begin pre-authorized contributions can be obtained when you place your order with your dealer or broker. Similar automatic investment plans for any series units of the Funds may be available through other dealers.

Pre-authorized contribution plans and automatic withdrawal plans which were established prior to any Fund merger will be re-established in comparable plans with respect to the applicable continuing Funds unless a unitholder advises otherwise.

The Funds have received exemptive relief from securities regulatory authorities from certain requirements in securities legislation to deliver Fund Facts to investors that make subsequent purchases of units of the Funds under a pre-authorized investment plan or a similar contribution plan, subject to the conditions of an exemption order dated June 11, 2014. Participants in a pre-authorized investment plan or a similar contribution plan will not be sent a copy of any Fund Facts unless they request that it be sent at the time they enroll in the plan or subsequently request it from their broker or dealer. This exemption does not apply to investors resident in Québec. For more information, refer to *Pre-authorized Contributions* in the Funds' simplified prospectus.

### **Registered Plans**

You may open a Scotia registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), life income retirement account, locked-in retirement savings plan, life income fund, locked-in retirement income fund, prescribed retirement income fund, tax-free savings account (“**TFSA**”) or registered education savings plans (which, collectively with a deferred profit savings plan and registered disability savings plan, are referred to as “**Registered Plans**”) for units of the Fund. Minimum initial and subsequent deposits for a

Registered Plan are the same as those set out under *How to Purchase Units*. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager. Units of the Fund may also be held in a self-directed RRSP or RRIF (or other Registered Plans) with any other financial institution as may be approved by the Manager, but such plans may be subject to fees.

You may open a Scotia Registered Plan (or other similar plans that may be offered by Scotia Securities Inc.) by completing an application form and declaration of trust which you may obtain directly from Scotia Securities Inc. or from the offices of a participating dealer appointed by the Manager in certain provinces and territories.

**You are urged to consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the *Income Tax Act (Canada)* (the "Tax Act") and applicable provincial tax laws.** It is your responsibility as an annuitant or holder of a Registered Plan to determine the consequences to you under relevant income tax laws. The Funds assume no liability as a result of Scotia Registered Plans being made available.

### **Automatic Withdrawal Plan**

Automatic withdrawal plans let you receive regular cash payments from your portfolios. You may set up an automatic withdrawal plan for the Scotia Aria Portfolios. The minimum withdrawal amount is \$50 each time. Each series of units is subject to a minimum investment amount as specified in *Minimum Investments* and *How to Purchase Units*. If you start an automatic withdrawal plan you should ensure that you maintain the applicable minimum investment amounts or we have the option of redeeming your units or, in the case of Premium Series, Premium TL Series, Premium T Series or Premium TH Series units, switching them to Series A, Series TL, Series T, or Series TH units of the same portfolio (as applicable). You may amend or terminate your automatic withdrawal plan without charge upon written notice to the Manager. The amendment or termination will be effective within 30 days of receipt of that notice.

Under a withdrawal plan, if the regular withdrawals are in excess of income and capital gains distributions, these withdrawals will encroach on or exhaust the capital you have invested. Automatic withdrawal plans are not available for Registered Plans.

You may realize tax consequences on any redemption or other transfer of units. See *Income Tax Considerations for Investors*.

## **INCOME TAX CONSIDERATIONS FOR INVESTORS**

This section is a general, but not an exhaustive, summary of how your investments in the Funds are taxed under the Tax Act. It applies to investors (other than trusts) who are residents of Canada, deal with the Funds at arm's length and hold their units as capital property. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the published administrative practices and assessing policies of the Canada Revenue Agency. It has been

assumed that the Tax Proposals will be enacted as proposed; however, no assurance can be given in this respect.

This summary does not otherwise take into account or anticipate any change in law or administrative practice, whether by legislative, regulatory, administrative or judicial action. In addition, it does not take into account provincial or foreign tax considerations. This summary assumes that each Fund will qualify as a "mutual fund trust" within the meaning of the Tax Act at all material times.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Accordingly, prospective investors should consult their own tax advisors about their individual circumstances.

## **Taxation of the Funds**

Each Fund will pay or make payable to unitholders sufficient net income and net realized capital gains in respect of each taxation year so that the Fund will not be liable for income tax under Part I of the Tax Act (after taking into account any applicable losses and any capital gains refund to which the Fund is entitled).

The "suspended loss" rules in the Tax Act may prevent a Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of the Fund to be paid to investors.

Each Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. As a consequence, each Fund may realize income or capital gains by virtue of changes in the value of a foreign currency relative to the Canadian dollar. Also, where a Fund accepts subscriptions or makes payments for redemptions or distributions in foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Fund receives or makes payment.

Generally, each Fund will include gains and deduct losses on income account in connection with its derivative activities and any transactions in commodities, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund.

A Fund may not qualify as a "mutual fund trust" under the Tax Act. If a Fund does not qualify as a "mutual fund trust", the Fund could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a unitholder who is a "designated beneficiary" will be subject to a special tax at the rate of 36% on the trust's "designated income". A designated beneficiary includes a non-resident person. "Designated income" generally includes income from a business carried on in Canada and taxable capital gains from dispositions of "taxable Canadian property". If a Fund is subject to tax under Part XII.2, unitholders who are not designated beneficiaries may be entitled to a refund of a portion of the Part XII.2 tax paid by the Fund, provided that the Fund makes the appropriate designation. If a Fund does not qualify as a mutual fund trust for purposes of the Tax Act, it may be subject to alternative minimum tax under the Tax Act. As well, a Fund will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year. A Fund that does not qualify as a mutual fund trust will be a "financial

institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution. If a Fund is not a mutual fund trust and is a registered investment, the Fund may be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds property that is not a “qualified investment” for the type of Registered Plan in respect of which the Fund is registered.

All of a Fund’s revenues, deductible expenses (including expenses common to all series of the Fund and management fees, performance fees and other expenses specific to a particular series of a Fund), capital gains and capital losses will be taken into account in determining the income or losses of the Fund as a whole. Losses incurred by a Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

Certain rules in the Tax Act affect the taxation of specified investment flow-through entities ("SIFTs"), such as publicly traded income trusts and limited partnerships (other than certain real estate investment trusts), and investors in those entities. Income attributable to a SIFT's "non-portfolio earnings" is taxed in a manner similar to income earned by a corporation, and distributions made by these entities to investors are taxed in a manner similar to dividends from taxable Canadian corporations and are deemed to be "eligible dividends" for the purposes of the enhanced dividend tax credit if paid or allocated to a resident of Canada. Non-portfolio earnings are, generally, income (other than certain dividends) from, or capital gains realized on, "non-portfolio properties". If a Fund, or an underlying fund in which a Fund invests, holds interests in a SIFT trust or SIFT partnership that is subject to this tax, the amount available for distribution to the Fund may be reduced.

## **Taxation of Unitholders**

### *Taxable Unitholders of the Fund*

Unitholders are required to compute their net income and net realized capital gains in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated securities of Fund purchased in U.S. dollars.

Upon the actual or deemed disposition of a unit of a Fund, including on the redemption of a unit by a Fund and on a switch between Funds (but not a reclassification of units among series of a Fund), a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the unit of the Fund exceed (or are exceeded by) the aggregate adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. Unitholders of a Fund must calculate the adjusted cost base separately for securities of each series of a Fund. One-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss is an allowable capital loss which is deducted against taxable capital gains for the year. Generally, any excess of allowable capital losses over taxable capital gains of the unitholder for

the year may be carried back up to three years or forward indefinitely and deducted against taxable capital gains in those other years.

A unitholder that is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income" for the year.

If a unitholder disposes of units of a Fund and the unitholder, the unitholder's spouse or another person affiliated with the unitholder (including a corporation controlled by the unitholder) has acquired units of the same Fund within 30 days before or after the unitholder disposes of the unitholder's units (such newly acquired units being considered "substituted property"), the unitholder's capital loss may be deemed to be a "superficial loss". If so, the unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the units which are "substituted property".

Unitholders that are individuals may be liable for alternative minimum tax in respect of Canadian source dividends and capital gains realized by, or distributed to, the unitholder.

### *Distributions*

Unitholders must include in computing their income for the year the amount of net income and the taxable portion of net realized capital gains that are paid or payable to them (including management fee distributions) by a Fund, whether or not such amounts are reinvested in additional units of the Fund.

To the extent that distributions (including management fee distributions) to a unitholder by a Fund in any year exceed the unitholder's share of net income and net realized capital gains of the Fund for the year, such excess distributions (except to the extent that they are proceeds of disposition) will not be taxable in the hands of the unitholder but will reduce the adjusted cost base of the unitholder's units of the Fund. To the extent that the adjusted cost base of a unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder in the year and the unitholder's adjusted cost base of such unit will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by the Fund, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Fund that are paid or payable to a unitholder (including such amounts invested in additional units) will effectively retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends earned directly by the unitholder. Foreign source income received by the Fund will generally be net of any taxes withheld in the foreign jurisdictions. The taxes so withheld will be included in the determination of the Fund's income. To the extent that the Fund so designates, the unitholder will be deemed to have paid its proportionate share of such taxes.

In the case of unitholders of a Fund that are corporations, amounts designated as taxable dividends will be included in computing income but generally will also be deductible in computing taxable income. A "private corporation" which is entitled to deduct taxable dividends in computing taxable income will normally be subject to the refundable tax under Part IV of the Tax

Act. Certain other corporations that are controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) are also subject to the refundable tax under Part IV of the Tax Act. Corporations, other than private corporations, should consult their own tax advisors as to the possible application of tax under Part IV.1 of the Tax Act.

Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the normal gross-up and dividend tax credit rules under the Tax Act. An "eligible dividend" will be entitled to an enhanced gross-up and dividend tax credit. To the extent possible, the Fund will pass on to unitholders the benefit of the enhanced dividend tax credit with respect to any eligible dividends received, or deemed to be received, by the Fund to the extent that such dividends are included in distributions to unitholders.

### *Reclassifications*

The reclassification of units of a particular series of a Fund as units of another series of the same Fund will not be considered to be a disposition for tax purposes and accordingly, a unitholder will realize neither a gain nor a loss as a result of a reclassification. The cost of the acquired units will be averaged with the adjusted cost base of identical units of such series owned by the unitholder.

### *Non-Taxable Unitholders of the Fund*

In general, distributions paid or payable to trusts governed by Registered Plans from, or capital gains realized on a disposition of units of a Fund, will not be taxable under the Tax Act. Withdrawals from Registered Plans (other than TFSAs) may be subject to tax.

### **Eligibility for Registered Plans**

Provided that each Fund is either a "registered investment" or a "mutual fund trust" within the meaning of those terms in the Tax Act at all material times, units of each Fund issued hereunder will be qualified investments for Registered Plans. See "Income Tax Considerations – Units Held in a Registered Plan" in the simplified prospectus for additional information.

Provided that the annuitant or holder of a RRSP, RRIF or TFSA (i) deals at arm's length with the Fund, and (ii) does not hold a "significant interest" (as defined in the Tax Act) in the Fund, the units of the Fund will not be a prohibited investment for a trust governed by a RRSP, RRIF or TFSA.

Investors should consult with their tax advisors regarding whether an investment in a Fund will be a prohibited investment for their RRSP, RRIF or TFSA.

## **HOW THE FUNDS ARE MANAGED AND ADMINISTERED**

### **The Manager**

The Manager acts as the manager of the Funds pursuant to a master management agreement dated February 14, 2005, as amended and restated on April 23, 2007, as amended and

restated on May 18, 2012, as amended on November 19, 2012 and July 11, 2013, as amended and restated on January 15, 2014, and as amended on May 12, 2014 and August 18, 2014 (the “**Master Management Agreement**”).

Pursuant to the Master Management Agreement, the Manager is required to provide, or cause to be provided, portfolio management to the Funds, including all decisions as to the purchase and sale of portfolio securities and as to the execution of all portfolio transactions, and all necessary or advisable administrative services and facilities including valuation, fund accounting and unitholder records. The Master Management Agreement provides that the Manager may engage or employ any person as its agent to perform administrative functions on behalf of the Funds, and brokers or dealers in connection with the portfolio transactions of the Funds.

The Master Management Agreement may only be assigned upon consent of the other party and in compliance with the provisions of the Master Declaration of Trust and all applicable laws, regulations and other restrictions of regulatory authorities in Canada. No changes to the Master Management Agreement may be made without the approval of unitholders where required by applicable securities laws. Where applicable securities laws do not require unitholder approval, the provisions of the Master Management Agreement may be amended with the approval of the Trustee and the Manager.

The Manager receives, pursuant to the Master Management Agreement, management fees and administration fees from the Funds in respect of certain series of units, as described in the simplified prospectus of the Funds. The Funds are required to pay taxes on the fees which they pay to the Manager, as well as on most other goods and services they acquire.

Reductions in management fees for the Fund can be negotiated between the Manager and certain investors in the Fund. The reductions are generally paid at the same time the income distributions are made by the Fund and are settled through distributions of units of the Fund (“management fee distributions”) by way of automatic reinvestment in additional units of the Fund. The management fee distributions are intended to attract large investments that might not otherwise be invested in the Funds. Management fee distributions are paid first out of net income and net realized capital gains and then out of capital. The Manager may discontinue these reductions at any time upon written notice to the unitholder. The Manager will not receive any fees as trustee of the Fund.

For additional information concerning the management of the Funds, you should refer to *How the Funds are Managed and Administered – The Manager* in this annual information form.

#### *Directors and Executive Officers of the General Partner of the Manager*

The Board of Directors of 1832 Asset Management G.P. Inc. (the “**General Partner**”), the general partner of the Manager, currently consists of nine members.

The names and municipalities of residence of the directors and executive officers of the General Partner, their principal occupations over the past five years, and the positions and offices held with the General Partner are as follows:

| <b>Name and Municipality of Residence</b> | <b>Positions Held with the General Partner</b>      | <b>Principal Occupation</b>                                                                                               |
|-------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Jordy W. Chilcott<br>Oakville, Ontario    | Chairman of the Board,<br>Co-President and Director | Co-President, the Manager<br>Managing Director & Head, Global<br>Asset Management – Retail &<br>Wealth Mexico, Scotiabank |
| Robin Lacey,<br>Toronto, Ontario          | Co-President and Director                           | Co-President, the Manager<br>Managing Director & Head, Global<br>Institutional Asset Management,<br>Scotiabank            |
| Stephen Morson<br>Toronto, Ontario        | Chief Financial Officer and<br>Director             | Chief Financial Officer, the<br>Manager<br>Vice President, Finance, Global<br>Wealth Management, Scotiabank               |
| Mark Brisley<br>Newmarket, Ontario        | Director                                            | Managing Director & Head,<br>Dynamic Funds                                                                                |
| Neil C. Macdonald<br>Toronto, Ontario     | Director                                            | Managing Director, Scotiabank                                                                                             |
| Richard McIntyre<br>Mississauga, Ontario  | Director                                            | Managing Director & Head, Scotia<br>Private Client Group Canada,<br>Scotiabank                                            |
| Jim Morris<br>Caledon, Ontario            | Director                                            | Chief Operating Officer, the<br>Manager                                                                                   |
| James O’Sullivan<br>Toronto, Ontario      | Director                                            | Executive Vice President, Global<br>Wealth Management, Scotiabank                                                         |
| John Pereira<br>Richmond Hill, Ontario    | Director                                            | Senior Vice President, Operations<br>& Technology, Global Wealth<br>Management, Scotiabank                                |
| Roxana Tavana<br>Toronto, Ontario         | Vice President, Legal and<br>Secretary              | Vice President and Associate<br>General Counsel, Legal, Global<br>Asset Management, Scotiabank                            |
| Simon Mielniczuk<br>Toronto, Ontario      | Assistant Secretary                                 | Senior Manager, Legal Services,<br>Global Asset Management,<br>Scotiabank                                                 |

During the past five years, all of the directors and executive officers of the General Partner have held their present principal occupations (or similar positions with their current employer or its affiliates) except for Mr. Lacey who prior to March 2013 was Managing Director, Head of Relationship Management with TD Asset Management Inc. and Vice Chair at The Toronto-Dominion Bank.

*Executive Officers of the Manager*

The names and municipalities of residence of the executive officers of the Manager, their principal occupations over the past five years, and the positions and offices held with the Manager are as follows:

| <b>Name and Municipality of Residence</b> | <b>Positions Held with the Manager</b>                            | <b>Principal Occupation</b>                                                                                                                                                 |
|-------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jordy W. Chilcott<br>Oakville, Ontario    | Co-President                                                      | Co-President, the Manager<br>Managing Director & Head,<br>Global Asset Management –<br>Retail & Wealth Mexico,<br>Scotiabank                                                |
| Robin Lacey<br>Toronto, Ontario           | Co-President                                                      | Co-President, the Manager<br>Managing Director & Head,<br>Global Institutional Asset<br>Management, Scotiabank                                                              |
| Stephen Morson<br>Toronto, Ontario        | Chief Financial Officer                                           | Chief Financial Officer, the<br>Manager<br>Vice President, Finance, Global<br>Wealth Management,<br>Scotiabank                                                              |
| Bruno Carchidi<br>Toronto, Ontario        | Chief Compliance Officer, Fund<br>Manager/Portfolio Management    | Chief Compliance Officer,<br>Fund Manager/Portfolio<br>Management, the Manager<br>Vice President, Compliance,<br>Scotiabank                                                 |
| Edna A. Chu<br>Toronto, Ontario           | Chief Compliance Officer,<br>Portfolio Manager, Institutional     | Chief Compliance Officer,<br>Portfolio Management -<br>Institutional and Private Client,<br>the Manager<br>Vice President, Compliance &<br>Director, Scotia Securities Inc. |
| M. Catherine Tuckwell<br>Toronto, Ontario | Chief Compliance Officer,<br>Portfolio Manager, Private<br>Client | Chief Compliance Officer,<br>Portfolio Manager, Private<br>Client, the Manager                                                                                              |
| Richard McIntyre<br>Mississauga, Ontario  | Managing Director & Head,<br>Scotia Private Client Group          | Managing Director & Head,<br>Scotia Private Client Group<br>Canada, Scotiabank                                                                                              |
| Roxana Tavana<br>Toronto, Ontario         | Vice President, Legal and<br>Secretary                            | Vice President and Associate<br>General Counsel, Legal, Global<br>Asset Management, Scotiabank                                                                              |

| <b>Name and Municipality of Residence</b> | <b>Positions Held with the Manager</b> | <b>Principal Occupation</b>                                               |
|-------------------------------------------|----------------------------------------|---------------------------------------------------------------------------|
| Simon Mielniczuk<br>Toronto, Ontario      | Assistant Secretary                    | Senior Manager, Legal Services,<br>Global Asset Management,<br>Scotiabank |

During the past five years, all of the executive officers of the Manager have held their present principal occupations (or similar positions with the current employer or its affiliates) except for Mr. Lacey who prior to March 2013 was Managing Director, Head of Relationship Management with TD Asset Management Inc. and Vice Chair at The Toronto-Dominion Bank.

### **The Portfolio Advisor**

Pursuant to the Management Agreement the Manager acts as portfolio advisor and provides investment advice to the Funds. The individual providing advice is as follows:

| <b>Portfolio Advisor</b> | <b>Current Title</b>                                    | <b>Length of Service with Portfolio Advisor</b> | <b>Principal occupation in the last 5 years</b>                                                                                                                         |
|--------------------------|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Judith Chan              | Director, Portfolio Solutions – Scotia Asset Management | 9 years                                         | From September 2012 to present – Director, Portfolio Solutions, the Manager<br>From November 2008 to September 2012 – Senior Manager, Investment Oversight, the Manager |

### **Fund Governance**

The Manager is responsible for the day-to-day administration and management of the Funds. The Manager is the portfolio advisor for the Funds and may retain portfolio sub-advisors for the Funds. If portfolio sub-advisors are appointed, the Manager will receive regular reports from its portfolio sub-advisors regarding their compliance with applicable investment guidelines and parameters and compliance with the investment restrictions and practices of the Funds.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Funds including, as required by NI 81-107, policies and procedures relating to conflicts of interest. The Manager has adopted a mutual fund sales practice policy that complies with National Instrument 81-105 – *Mutual Fund Sales Practices*. The Manager has also adopted a Personal Trading Policy for employees that addresses potential internal conflicts of interest in respect of the Funds. In addition, the Manager has adopted the Scotiabank Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The investment advisory agreements between the Manager and the portfolio advisors specify that the Funds must comply with the investment restrictions and practices outlined in applicable securities laws, including NI 81-102, subject to any exemption granted by applicable securities authorities. The portfolio advisors have established policies and guidelines relating to business practices, risk management

controls and conflicts of interest. In addition, each portfolio advisor has its own code of ethics that addresses such things as personal trading by employees.

#### *Independent Review Committee*

The Manager has appointed the IRC, as required by NI 81-107. The IRC reviews and provides input on conflict of interest matters in respect of the Funds. The members of the IRC are independent from, the Manager, Scotiabank or any of the Funds' other portfolio advisors and currently are Carol S. Perry (Chair), Robert S. Bell, Brahm Gelfand, Simon Hitzig, D. Murray Paton. The IRC must act in the best interests of the Funds' unitholders.

The mandate of the IRC is to:

- (i) review and provide input into the Manager's policies and procedures on conflict of interest matters identified by the Manager time to time;
- (ii) consider and provide recommendations to the Manager regarding whether a proposed action of the Manager, in respect of a conflict of interest matter, achieves a fair and reasonable result for the applicable Fund;
- (iii) consider and, if appropriate after reasonable inquiry, approve the Manager's proposed action on a conflict of interest matter that the Manager refers to the IRC for approval; and
- (iv) perform such other duties and provide such other recommendations and approvals as may be permitted under applicable securities laws.

Currently, each member of the IRC is entitled to an annual retainer of \$40,000 (\$55,000 for the Chair), and a per meeting fee of \$1,500. Each investment fund managed by the Manager for which the IRC has been appointed pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC.

#### *Securities Lending, Repurchase and Reverse Repurchase Transactions*

The Funds may enter into securities lending, repurchase and reverse repurchase transactions from time to time as discussed under *Investment Restrictions and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions* above.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with securities lending, repurchase and reverse repurchase transactions by requiring that each securities agreement be, at a minimum, secured by investment grade securities or cash and that the collateral held by a Fund be at least 102% of the market value of the securities subject to the transaction. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, a Fund will not expose more than 10% of the total value of its assets with any one entity under these agreements. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a fund will not exceed

more than 50% of the NAV of that Fund immediately after the Fund enters into such a transaction. The Fund will comply with all other applicable requirements of securities and tax laws with respect to securities lending transactions.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of a Fund will be developed by the Manager and the Fund's custodian acting as its agent in administering the transaction. Such policies and procedures will set out (i) the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions and (ii) the risk management procedures, including limits and other controls on such transactions, applicable to the Fund.

The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to the Fund relating to securities lending will be reviewed and approved annually by senior management of the Manager.

#### *Proxy Voting Policies and Procedures*

We have in place policies and procedures (the “**Proxy Voting Policy**”) to ensure that proxies relating to securities held by the Fund are voted in the best interest of the Fund. The Proxy Voting Policy provides guidance in determining whether and how to vote on any matter for which the Fund received proxy materials. We review the Proxy Voting Policy to ensure that the voting rights will be exercised in accordance with the best interests of the Fund.

The Manager has retained the services of a third party consultant with expertise on proxy voting matters to provide proxy voting guidance. The Manager reviews each proxy, along with the recommendations made by the consultant with respect to proxy issues and may vote in accordance with such recommendations if appropriate and if consistent with its policies and procedures. Where proxies relate to relatively routine matters, such as the regular appointment of auditors and the election of directors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non-routine matters, such as proposed mergers and reorganizations or a dissident slate of directors, these matters are brought to the attention of an appropriate senior officer of the Manager on a case-by-case basis for consideration and final approval.

The Proxy Voting Policy sets out a process to ensure that the Manager can resolve material conflicts of interest relating to proxy voting that may arise between the Fund and the Manager or its affiliates or individuals making proxy voting decisions. In the case where a material conflict of interest arises, the Proxy Voting Policy permits consulting and following the voting recommendation of a reputable independent proxy voting service provider.

#### *Availability of Proxy Voting Information*

The Proxy Voting Policy is available upon request and at no charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by writing to the Manager at the address on the back cover of this annual information form.

The proxy voting record for each Fund for the most recent 12-month period ending June 30 of each year will be available upon request and at no cost at any time after August 31 of that year. The proxy voting record for each Fund will also be available on the ScotiaFunds website at [www.scotiafunds.com](http://www.scotiafunds.com).

### **Policies on the Use of Derivatives**

All of the Funds may use derivatives as described in the simplified prospectus of the Funds. Any use of derivatives by a Fund is governed by the Manager's own policies and procedures which set out (i) the objectives and goals of derivatives trading and (ii) the risk management practices, including control policies and procedures, applicable to derivatives trading. These policies and procedures are prepared and reviewed annually by senior management of the Manager. The decision as to the use of derivatives, including the oversight of the limits and controls on derivatives trading, is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control measures. Risk measurement procedures or simulations generally are used to test the investment portfolio of the Funds under stress conditions. If permitted by applicable securities legislation, the Funds may enter into over-the-counter bilateral derivative transactions with counterparties related to the Manager.

For further information about how the Funds use derivatives, refer to *Investment Restrictions and Practices - Derivatives* above and *About derivatives* in the simplified prospectus of the Funds.

### **Policies on Short-selling**

We have in place policies and procedures relating to short-selling by a Fund (including objectives, goals and risk management procedures). Agreements, policies and procedures that are applicable to a Fund relating to short-selling (including trading limits and controls in addition to those specified above) are reviewed by our senior management. If we authorize a portfolio sub-advisor to engage in short-selling, we delegate responsibility to the Fund's portfolio sub-advisor. Each third-party portfolio sub-advisor's policies and procedures must guide that portfolio advisor in relation to short-selling. All policies must require compliance with applicable rules. We review the policies of each third party portfolio sub-advisor to ensure that short-selling will be conducted in accordance with the best interests of the Fund. The decision to effect any particular short sale is made by us the portfolio sub-advisor and reviewed and monitored as part of the portfolio sub-advisor's ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are used to test the portfolio of the Funds under stress conditions.

### **The Primary Distributor**

The unissued series of units offered by the simplified prospectus of the Funds are distributed by Scotia Securities Inc. pursuant to the Master Distributorship Agreement (as defined below) with effect for each Fund as of the date it was created.

## **Portfolio Transactions and Brokers**

The Manager or the portfolio sub-advisor of a Fund makes decisions as to the purchase and sale of securities and other assets of the Fund, as well as decisions regarding the execution of portfolio transactions of the Fund, including the selection of market, broker and the negotiation of commissions. In effecting these portfolio transactions, the Manager or the portfolio sub-advisor may place brokerage business with numerous dealers and brokers on the basis of the best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost. The Manager and the portfolio sub-advisor have policies in place regarding broker selection and best execution and the selection of brokers.

The Manager uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of us. In certain circumstances, the Manager receives goods or services from dealers or brokers in exchange for directing brokerage transactions to such dealers or brokers. These types of goods and services include research goods and services and order execution goods and services.

The Manager currently has in place brokerage arrangements with its affiliate, Scotia Capital Inc. Scotia Capital Inc. may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

The Manager receives research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. The research goods and services that we are provided in exchange for brokerage commissions include advice, analyses and reports that focus on, among other matters, specific stocks, sectors and economies.

The Manager also receives order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

In certain instances, the Manager may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use goods and services. If the Manager obtains mixed-use goods and services, we only use brokerage commissions to pay for the portion that is used in our investment or trading decisions or in effecting securities transactions, each on behalf of the Funds or client accounts.

The Manager acts as the portfolio adviser for the Funds and the Manager's investment management and trade execution teams decide which dealers or brokers are allocated brokerage business based on the competitiveness of the commission costs, their ability to provide best execution of trades and the range of services and quality of research received. The Manager may use research goods and services and order execution goods and services to benefit our Funds and clients other than those whose trades generated the brokerage commission. However, the Manager has policies and procedures in place such that over a reasonable period of time, all

clients, including the Funds, receive fair and reasonable benefit in return for the commission generated.

The names of dealer or third parties who have provided research goods and services and/or order execution goods and services since the date of the last annual information form are available upon request by calling us toll-free at 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by email at [fundinfo@scotiabank.com](mailto:fundinfo@scotiabank.com) or by writing to us at the address on the back cover of this annual information form.

### **Changes to the Master Declaration of Trust**

Certain amendments to the Master Declaration of Trust governing the Funds, such as a change in the fundamental investment objectives of a Fund, or any other change for which the approval of unitholders is required by securities regulatory authorities or pursuant to the Master Declaration of Trust, may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. All other amendments to the Master Declaration of Trust may be made by the trustee without unitholder approval.

Pursuant to the Master Declaration of Trust, where the trustee resigns, is removed or is otherwise incapable of acting, a successor trustee can be appointed by the Manager without the approval of the unitholders. If the Manager fails to appoint a new trustee, provision is made in the Master Declaration of Trust for the unitholders to appoint a successor trustee.

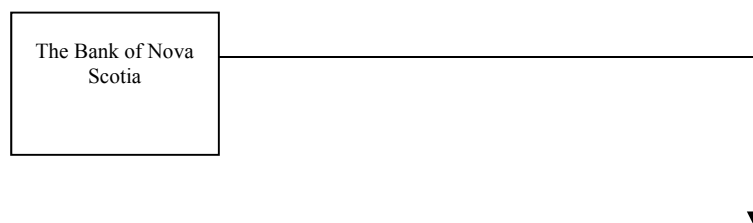
### **The Promoter**

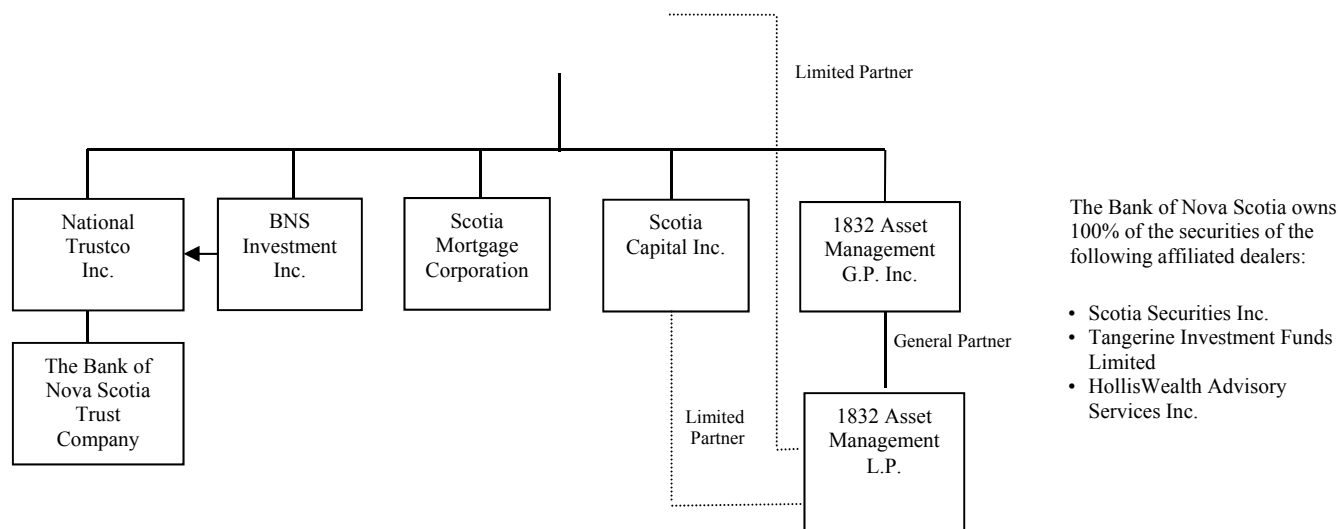
The Manager is the promoter of the Funds. The Manager received, and will receive, remuneration from, and in respect of, such Funds as set out under the headings *The Manager* and *Material Contracts*.

### **Affiliated Entities**

The only affiliated entities that provide services to the Funds and to the Manager in connection with the funds are Scotiabank, Scotia Capital Inc., The Bank of Nova Scotia Trust Company and Scotia Securities Inc. The amount of fees received from a fund by these entities each year is disclosed in the Fund's audited annual financial statements.

The following diagram shows the relationship between the Manager and these entities:





## Principal Holders of Securities

As at November 19, 2014, Scotiabank owned all of the issued and outstanding shares of 1832 Asset Management G.P. Inc., which is the general partner of the Manager, and owned directly and indirectly 100% of the Manager.

As at November 6, 2014, the directors and senior officers of the Manager, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of any series of a Fund. As at November 6, 2014, the directors and senior officers of the Manager, did not own any securities of the Manager or a service provider to the Funds or the Manager, other than common shares and preferred shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares and preferred shares of Scotiabank.

As at November 6, 2014, the members of the IRC, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of any series of a Fund. As at November 6, 2014, the members of the IRC, did not own any securities of the Manager or a service provider to the Funds or the Manager, other than common shares and preferred shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares and preferred shares of Scotiabank.

As at November 19, 2014, the Manager owned all the Series A units of each Fund (which are all the outstanding units of the Funds).

## Material Contracts

Copies of the Master Declaration of Trust, the Master Management Agreement, the Master Distributorship Agreement, the Custodian Agreement (as defined below) and the Master Registrar and Transfer Agency Agreement are available for inspection at the head office of the Manager during normal business hours.

### *Master Declaration of Trust*

The Funds are governed by the Master Declaration of Trust. The Funds were settled with effect for each Fund as set out below. The Funds will continue until terminated by the Trustee. Subject to applicable securities laws and regulations, the Trustee is empowered to take all steps necessary to effect the termination of such Funds.

On November 19, 2014, the Master Declaration of Trust and Schedule A thereto were amended to establish the Scotia Aria Portfolios.

### *Master Management Agreement*

The Master Management Agreement is between the Manager as the manager and the Manager, in its capacity as trustee of the Funds, with effect for each Fund as of the date the Fund was created. The Master Management Agreement may be terminated by either party giving at least six months prior notice to the other of such termination.

### *Master Distributorship Agreement*

The Master Distributorship Agreement, as amended and restated as of May 18, 2012, as amended on November 19, 2012, as amended on January 15, 2014, and as further amended on May 12, 2014 (the “**Master Distributorship Agreement**”), is between Scotia Securities Inc. and the Manager on behalf of each Fund, with effect for each Fund as of the date it was created. The Master Distributorship Agreement may be terminated at any time upon the request of the distributor or by agreement of the distributor and the Manager, or after six months following a unitholders’ meeting approving the termination.

### *Custodian Agreement*

Scotiabank acts as custodian of the Fund’s portfolio securities pursuant to the custodian agreement, as amended and restated as of May 18, 2012, as amended on November 19, 2012, as amended on July 23, 2013, as amended and restated on January 15, 2014, and as further amended on May 13, 2014 (the “**Custodian Agreement**”), between each Fund, the Manager and Scotiabank. The Fund pays all reasonable fees and expenses of Scotiabank for custodial services, including safekeeping and administrative services. The Custodian Agreement permits Scotiabank to appoint sub-custodians on the same terms and conditions it has with the Fund, and may be terminated by either party giving at least 60 days prior notice to the other of such termination. As of the date of this annual information form, The Bank of New York, New York, U.S.A., acts as principal sub-custodian of the Funds.

### **Related Party Transactions**

The Manager receives management fees from the Funds as described under the sub-heading *The Manager* above.

Scotiabank may earn some income as a result of providing custodial services, including safekeeping and administrative services, and unitholder recordkeeping services to the Fund and

as a result of acting as agent in respect of securities lending, repurchase and reverse repurchase transactions.

The Manager may earn income as a result of providing portfolio management services to the Funds. Scotia Capital Inc. will earn brokerage fees as a result of providing trade execution services for the Funds from time to time.

Funds that invest in underlying funds that are managed by the Manager or an associate or affiliate of the Manager will not vote any of the securities of those underlying funds. The Manager may arrange for unitholders to vote their share of those securities. However, given the costs and complexity of doing so, the Manager may not arrange for a flow through of voting rights.

### **Auditor, Transfer Agent and Registrar and Securities Lending Agent**

PricewaterhouseCoopers LLP, Chartered Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2, is the auditor of the Funds.

The auditor of the Funds may only be changed with the approval of the IRC and upon providing unitholders of the Funds with 60 days' advance written notice in accordance with the provisions of the Master Declaration of Trust for the Funds and as permitted by the CSA.

The Manager acts as the registrar and transfer agent for the Funds pursuant to registrar and transfer agency agreements described above. The Manager has made arrangements to have certain registrar and transfer agency functions performed by Scotiabank.

In the event a Fund engages in a securities lending, repurchase or reverse repurchase transaction, then The Bank of Nova Scotia will be appointed as the Funds' securities lending agent. The principal office of The Bank of Nova Scotia is located in Toronto, Ontario. The general partner of the Manager is a wholly-owned subsidiary of the securities lending agent and therefore the securities lending agent is an affiliate of the Manager. The agreement entered into with the securities lending agent is expected to provide that:

- collateral equal to 102% of the market value of the loaned securities will be required to be delivered in connection with a securities lending transaction;
- the Fund will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements of counsel) incurred by the securities lending agent in rendering services under the agreement or in connection with any breach of the terms of the agreement or any loan by the Fund or the Manager on behalf of the Fund, except such loss or liability which results from the security lending agent's failure to exercise the standard of care required by the agreement; and
- the agreement can be terminated by any party on 5 business days' written notice.

## CERTIFICATE OF THE FUNDS AND THE MANAGER OF THE FUNDS

November 19, 2014

**Scotia Aria Conservative Build Portfolio**  
**Scotia Aria Conservative Core Portfolio**  
**Scotia Aria Conservative Pay Portfolio**  
**Scotia Aria Moderate Build Portfolio**  
**Scotia Aria Moderate Core Portfolio**  
**Scotia Aria Moderate Pay Portfolio**  
**Scotia Aria Progressive Build Portfolio**  
**Scotia Aria Progressive Core Portfolio**  
**Scotia Aria Progressive Pay Portfolio**

(together the “Portfolios”)

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

*“Jordy Chilcott”*

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**Jordy Chilcott**

Chairman of the Board and Co-President

*(Signing in the capacity of*

*Chief Executive Officer)*

1832 Asset Management G.P. Inc., as general  
partner for and on behalf of 1832 Asset  
Management L.P., as Manager and Trustee of the  
Portfolios

*“Stephen Morson”*

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**Stephen Morson**

Chief Financial Officer

1832 Asset Management G.P. Inc., as general  
partner for and on behalf of 1832 Asset  
Management L.P., as Manager and Trustee of the  
Portfolios

### ON BEHALF OF

the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832  
Asset Management L.P., as Manager and Trustee of the Portfolios

*“Neil C. Macdonald”*

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**Neil C. Macdonald**

Director

*“Jim Morris”*

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**Jim Morris**

Director

## CERTIFICATE OF THE PROMOTER

November 19, 2014

**Scotia Aria Conservative Build Portfolio**  
**Scotia Aria Conservative Core Portfolio**  
**Scotia Aria Conservative Pay Portfolio**  
**Scotia Aria Moderate Build Portfolio**  
**Scotia Aria Moderate Core Portfolio**  
**Scotia Aria Moderate Pay Portfolio**  
**Scotia Aria Progressive Build Portfolio**  
**Scotia Aria Progressive Core Portfolio**  
**Scotia Aria Progressive Pay Portfolio**

(together the “Portfolios”)

This annual information form, together with the simplified prospectuses and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

1832 Asset Management G.P. Inc.,  
as general partner for and on behalf of  
1832 Asset Management L.P.,  
as Promoter of the Portfolios

“Jordy Chilcott”

---

**Jordy Chilcott**

Chairman of the Board and Co-President

*(Signing in the capacity of  
Chief Executive Officer)*

1832 Asset Management G.P. Inc., as general  
partner for and on behalf of 1832 Asset  
Management L.P., as Promoter of the  
Portfolios

“Stephen Morson”

---

**Stephen Morson**

Chief Financial Officer

1832 Asset Management G.P. Inc., as general  
partner for and on behalf of 1832 Asset  
Management L.P., as Promoter of the  
Portfolios

**CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR**  
**(Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the Portfolios)**

November 19, 2014

**Scotia Aria Conservative Build Portfolio**  
**Scotia Aria Conservative Core Portfolio**  
**Scotia Aria Conservative Pay Portfolio**  
**Scotia Aria Moderate Build Portfolio**  
**Scotia Aria Moderate Core Portfolio**  
**Scotia Aria Moderate Pay Portfolio**  
**Scotia Aria Progressive Build Portfolio**  
**Scotia Aria Progressive Core Portfolio**  
**Scotia Aria Progressive Pay Portfolio**

(together the “Portfolios”)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

Scotia Securities Inc.  
as Principal Distributor of the Series A, Series TL,  
Series T, Series TH, Premium Series, Premium TL  
Series, Premium T Series and Premium TH Series  
units of the Portfolios

By: “Stephen Morson”  
**Stephen Morson**  
Director

# ScotiaFunds®

## Scotia Aria™ Portfolios

**Scotia Aria Conservative Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Conservative Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Conservative Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Moderate Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Moderate Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Moderate Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Progressive Build Portfolio** (Series A and Premium Series units)

**Scotia Aria Progressive Core Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

**Scotia Aria Progressive Pay Portfolio** (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

Managed by:

1832 Asset Management L.P.

1 Adelaide Street East

28th Floor

Toronto, Ontario

M5C 2V9

[www.scotiafunds.com](http://www.scotiafunds.com)

1.800.268.9269

[fundinfo@scotiabank.com](mailto:fundinfo@scotiabank.com)

Additional information about the Funds is available in the Funds' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of the Funds' financial statements and management reports of fund performance free of charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or from your registered investment professional or on our website at [www.scotiafunds.com](http://www.scotiafunds.com).

These documents and other information about the Funds, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).

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ScotiaFunds are managed by 1832 Asset Management L.P., a limited partnership the general partner of which is wholly-owned by The Bank of Nova Scotia. ScotiaFunds are available through Scotia Securities Inc., and from other dealers and advisors including ScotiaMcLeod and Scotia iTRADE, which are divisions of Scotia Capital Inc.

Scotia Securities Inc. and Scotia Capital Inc. are wholly-owned by The Bank of Nova Scotia. Scotia Capital Inc. is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.