

ScotiaFunds®

Annual Information Form

November 12, 2014

Cash Equivalent Funds

Scotia T-Bill Fund (Series A units)

Scotia Premium T-Bill Fund (Series A units)

Scotia Money Market Fund (Series A, Series I, Premium Series, Series M and Advisor Series units)

Scotia U.S. \$ Money Market Fund (Series A units)

Income Funds

Scotia Short Term Bond Fund (Series I and Series M units)

Scotia Private Short-Mid Government Bond Pool (Series I and Series M units)

Scotia Mortgage Income Fund (Series A, Series F, Series I and Series M units)

Scotia Bond Fund (Series A and Series I units)

Scotia Canadian Income Fund (Series A, Series F, Series I, Series M and Advisor Series units)

Scotia Private Canadian Corporate Bond Pool (Series I and Series M units)

Scotia U.S. \$ Bond Fund (Series A and Series F units)

Scotia Global Bond Fund (Series A, Series F and Series I units)

Scotia Conservative Income Fund (Series A units)

Scotia Floating Rate Income Fund (Series I and Series M units)

Balanced Funds

Scotia Diversified Monthly Income Fund (Series A, Series D, Series F and Advisor Series units)

Scotia Income Advantage Fund (Series A, Series D and Series M units)

Scotia Canadian Balanced Fund (Series A, Series D and Series F units)

Scotia Dividend Balanced Fund (Series A, Series D and Series I units)

Scotia Balanced Opportunities Fund (Series A, Series D, Series F and Advisor Series units)

Scotia Global Balanced Fund (Series A, Series D and Series I units)

Scotia U.S. \$ Balanced Fund (Series A units)

Equity Funds

Canadian and U.S. Equity Funds

Scotia Private Canadian Preferred Share Pool (Series I and Series M units)

Scotia Canadian Dividend Fund (Series A, Series F, Series I, Series M and Advisor Series units)

Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)

Scotia Private Canadian Equity Pool (Series I and Series M units)

Scotia Canadian Growth Fund (Series A, Series F, Series I and Advisor Series units)

Scotia Canadian Small Cap Fund (Series A, Series F, Series I and Series M units)

Scotia Resource Fund (Series A, Series F and Series I units)

Scotia Private North American Dividend Pool (Series M units)

Scotia Private Real Estate Income Pool (Series I and Series M units)
Scotia U.S. Dividend Fund (Series A and Series I units)
Scotia Private U.S. Dividend Pool (Series I and Series M units)
Scotia Private U.S. Equity Pool (Series I and Series M units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)

International Equity Funds

Scotia Private International Core Equity Pool (Series I and Series M units)
Scotia International Value Fund (Series A, Series F, Series I and Advisor Series units)
Scotia European Fund (Series A, Series F and Series I units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)
Scotia Latin American Fund (Series A, Series F and Series I units)

Global Equity Funds

Scotia Global Dividend Fund (Series A and Series I units)
Scotia Global Growth Fund (Series A, Series F, Series I and Advisor Series units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)
Scotia Global Opportunities Fund (Series A, Series F, Series I and Advisor Series units)

Index Funds

Scotia Canadian Bond Index Fund (Series A, Series D, Series F and Series I units)
Scotia Canadian Index Fund (Series A, Series D, Series F and Series I units)
Scotia U.S. Index Fund (Series A, Series D, Series F and Series I units)
Scotia CanAm Index Fund (Series A and Series F units)
Scotia Nasdaq Index Fund (Series A, Series D and Series F units)
Scotia International Index Fund (Series A, Series D, Series F and Series I units)

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income Portfolio (Series A units)
Scotia Selected Balanced Income Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Balanced Growth Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Growth Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Maximum Growth Portfolio (Series A, Series F and Advisor Series units)

Scotia Partners Portfolios®

Scotia Partners Income Portfolio (Series A units)
Scotia Partners Balanced Income Portfolio (Series A and Series F units)
Scotia Partners Balanced Growth Portfolio (Series A and Series F units)
Scotia Partners Growth Portfolio (Series A and Series F units)
Scotia Partners Maximum Growth Portfolio (Series A and Series F units)

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 annual information form of the Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. \$ Money Market Fund, Scotia Short Term Bond Fund, Scotia Private Short-Mid Government Bond Pool, Scotia Mortgage Income Fund, Scotia Bond Fund, Scotia Canadian Income Fund, Scotia Private Canadian Corporate Bond Pool, Scotia U.S. \$ Bond Fund, Scotia Global Bond Fund, Scotia Conservative Income Fund, Scotia Floating Rate Income Fund, Scotia Diversified Monthly Income Fund, Scotia Income Advantage Fund, Scotia Canadian Balanced Fund, Scotia Dividend Balanced Fund, Scotia Balanced Opportunities Fund, Scotia Global Balanced Fund, Scotia U.S. \$ Balanced Fund, Scotia Private Canadian Preferred Share Pool, Scotia Canadian Dividend Fund, Scotia Canadian Blue Chip Fund, Scotia Private Canadian Equity Pool, Scotia Canadian Growth Fund, Scotia Canadian Small Cap Fund, Scotia Resource Fund, Scotia Private North American Dividend Pool, Scotia Private Real Estate Income Pool, Scotia U.S. Dividend Fund, Scotia Private U.S. Dividend Pool, Scotia Private U.S. Equity Pool, Scotia U.S. Blue Chip Fund, Scotia U.S. Opportunities Fund, Scotia Private International Core Equity Pool, Scotia International Value Fund, Scotia European Fund, Scotia Pacific Rim Fund, Scotia Latin American Fund, Scotia Global Dividend Fund, Scotia Global Growth Fund, Scotia Global Small Cap Fund, Scotia Global Opportunities Fund, Scotia Canadian Bond Index Fund, Scotia Canadian Index Fund, Scotia U.S. Index Fund, Scotia CanAm Index Fund, Scotia Nasdaq Index Fund, Scotia International Index Fund, Scotia Selected Income Portfolio, Scotia Selected Balanced Income Portfolio, Scotia Selected Balanced Growth Portfolio, Scotia Selected Growth Portfolio, Scotia Selected Maximum Growth Portfolio, Scotia Partners Income Portfolio, Scotia Partners Balanced Income Portfolio, Scotia Partners Balanced Growth Portfolio, Scotia Partners Growth Portfolio and Scotia Partners Maximum Growth 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. 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, 28th 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. Information regarding the Manager can be obtained on its website at www.scotiabank.com.

The following lists the Funds and describes any changes to the names of the Funds:

1. Scotia T-Bill Fund (“**T-Bill Fund**”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior T-Bill Fund.

2. Scotia Premium T-Bill Fund (“**Premium T-Bill Fund**”)

Prior to October 24, 1998 this Fund was named Scotia Excelsior Premium T-Bill Fund.

3. Scotia Money Market Fund (“**Money Market Fund**”)
Prior to October 24, 1998 this Fund was named Scotia Excelsior Money Market Fund.
4. Scotia U.S. \$ Money Market Fund (“**U.S. Money Market Fund**”)
Prior to November 1, 2007 this Fund was named Scotia CanAm U.S. \$ Money Market Fund.
Prior to October 24, 1998 this Fund was named Scotia CanAm Money Market Fund.
5. Scotia Short Term Bond Fund (“**Short Term Bond Fund**”)
6. Scotia Private Short-Mid Government Bond Pool (“**Government Bond Pool**”)
Prior to August 2, 2011 this Fund was named Scotia Short-Mid Government Bond Fund.
Prior to December 11, 2009 this Fund was named Scotia Cassels Short-Mid Government Bond Fund.
7. Scotia Mortgage Income Fund (“**Mortgage Income Fund**”)
Prior to October 24, 1998 this Fund was named Scotia Excelsior Mortgage Fund.
8. Scotia Bond Fund (“**Bond Fund**”)
9. Scotia Canadian Income Fund (“**Income Fund**”)
Prior to October 24, 1998 this Fund was named National Trust Canadian Bond Fund.
10. Scotia Private Canadian Corporate Bond Pool (“**Corporate Bond Pool**”)
Prior to August 2, 2011 this Fund was named Scotia Canadian Corporate Bond Fund.
Prior to December 11, 2009 this Fund was named Scotia Cassels Canadian Corporate Bond Fund.
Prior to October 28, 2005 this Fund was named Scotia Canadian Corporate Bond Fund.
11. Scotia U.S. \$ Bond Fund (“**U.S. Bond Fund**”)
Prior to November 1, 2007 this Fund was named Scotia CanAm U.S. \$ Income Fund.
Prior to October 24, 1998 this Fund was named Scotia CanAm Income Fund.
12. Scotia Global Bond Fund (“**Global Bond Fund**”)
Prior to November 1, 2007 this Fund was named Scotia CanGlobal Income Fund.

Prior to October 24, 1998 this Fund was named National Trust International RSP Bond Fund.

- 13. Scotia Conservative Income Fund (“**Conservative Income Fund**”)
- 14. Scotia Floating Rate Income Fund (“**Floating Rate Income Fund**”)
- 15. Scotia Diversified Monthly Income Fund (“**Monthly Income Fund**”)
- 16. Scotia Income Advantage Fund (“**Income Advantage Fund**”)
- 17. Scotia Canadian Balanced Fund (“**Balanced Fund**”)

Prior to October 24, 1998 this Fund was named National Trust Balanced Fund.

- 18. Scotia Dividend Balanced Fund (“**Dividend Income Fund**”)

Prior to November 29, 2013 this Fund was named Scotia Canadian Dividend Income Fund.

- 19. Scotia Balanced Opportunities Fund (“**Balanced Opportunities Fund**”)

Prior to November 29, 2013 this Fund was named Scotia Canadian Tactical Asset Allocation Fund.

Prior to April 23, 2007 this Fund was named Scotia Total Return Fund.

Prior to October 24, 1998 this Fund was named Scotia Excelsior Total Return Fund.

Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Total Return.

- 20. Scotia Global Balanced Fund (“**Global Balanced Fund**”)
- 21. Scotia U.S. \$ Balanced Fund (“**U.S. Balanced Fund**”)
- 22. Scotia Private Canadian Preferred Share Pool (“**Preferred Share Pool**”)
- 23. Scotia Canadian Dividend Fund (“**Dividend Fund**”)

Prior to October 24, 1998 this Fund was named National Trust Dividend Fund.

- 24. Scotia Canadian Blue Chip Fund (“**Canadian Blue Chip Fund**”)
- 25. Scotia Private Canadian Equity Pool (“**Canadian Equity Pool**”)

Prior to August 2, 2011 this Fund was named Scotia Canadian Equity Fund

Prior to December 11, 2009 this Fund was named Scotia Cassels Canadian Equity Fund.

26. Scotia Canadian Growth Fund (“**Canadian Growth Fund**”)
Prior to October 24, 1998 this Fund was named Scotia Excelsior Canadian Growth Fund.
Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Fund - Equity Section.
27. Scotia Canadian Small Cap Fund (“**Small Cap Fund**”)
Prior to October 24, 1998 this Fund was named National Trust Special Equity Fund.
28. Scotia Resource Fund (“**Resource Fund**”)
Prior to November 30, 2001 this Fund was named Scotia Precious Metals Fund.
Prior to October 24, 1998 this Fund was named Scotia Excelsior Precious Metals Fund.
29. Scotia Private North American Dividend Pool (“**North American Dividend Pool**”)
Prior to December 2, 2013 this Fund was named Scotia Private North American Equity Pool.
Prior to August 2, 2011 this Fund was named Scotia North American Equity Fund.
Prior to December 11, 2009 this Fund was named Scotia Cassels North American Equity Fund.
30. Scotia Private Real Estate Income Pool (“**Real Estate Income Pool**”)
31. Scotia U.S. Dividend Fund (“**U.S. Dividend Fund**”)
32. Scotia Private U.S. Dividend Pool (“**U.S. Dividend Pool**”)
33. Scotia Private U.S. Equity Pool (“**U.S. Equity Pool**”)
Prior to August 2, 2011 this Fund was named Scotia U.S. Equity Fund.
Prior to December, 2009 this Fund was named Scotia Cassels U.S. Equity Fund.
34. Scotia U.S. Blue Chip Fund (“**U.S. Blue Chip Fund**”)
Prior to March 7, 2011 this Fund was named Scotia U.S. Growth Fund.
Prior to November 1, 2007 this Fund was named Scotia American Growth Fund.
Prior to October 24, 1998 this Fund was named Scotia Excelsior American Equity Growth Fund.
35. Scotia U.S. Opportunities Fund (“**U.S. Opportunities Fund**”)

- Prior to November 19, 2012 this Fund was named Scotia U.S. Value Fund.
- Prior to April 23, 2007 this Fund was named Capital U.S. Large Companies Fund.
36. Scotia Private International Core Equity Pool (“**International Core Equity Pool**”)
- Prior to August 2, 2011 this Fund was named Scotia International Equity Fund.
- Prior to December 11, 2009 this Fund was named Scotia Cassels International Equity Fund.
37. Scotia International Value Fund (“**International Value Fund**”)
- Prior to April 23, 2007 this Fund was named Capital International Large Companies Fund.
38. Scotia European Fund (“**European Fund**”)
- Prior to November 1, 2007 this Fund was named Scotia European Growth Fund.
- Prior to October 24, 1998 this Fund was named Scotia Excelsior European Fund.
39. Scotia Pacific Rim Fund (“**Pacific Rim Fund**”)
- Prior to November 1, 2007 this Fund was named Scotia Pacific Rim Growth Fund.
- Prior to October 24, 1998 this Fund was named Scotia Excelsior Pacific Rim Fund.
40. Scotia Latin American Fund (“**Latin American Fund**”)
- Prior to November 1, 2007 this Fund was named Scotia Latin American Growth Fund.
- Prior to October 24, 1998 this Fund was named Scotia Excelsior Latin American Fund.
41. Scotia Global Dividend Fund (“**Global Dividend Fund**”)
42. Scotia Global Growth Fund (“**Global Fund**”)
- Prior to September 18, 2001 this Fund was named Scotia International Growth Fund.
- Prior to October 24, 1998 this Fund was named Scotia Excelsior International Fund.
- Prior to October 1, 1995 this Fund was named Montreal Trust Excelsior Fund - International Section.
43. Scotia Global Small Cap Fund (“**Global Small Cap Fund**”)
- Prior to April 23, 2007 this Fund was named Capital Global Small Companies Fund.

44. Scotia Global Opportunities Fund (“**Global Opportunities Fund**”)
Prior to April 23, 2007 this Fund was named Capital Global Discovery Fund.
45. Scotia Canadian Bond Index Fund (“**Canadian Bond Index Fund**”)
46. Scotia Canadian Index Fund (“**Canadian Index Fund**”)
Prior to November 1, 2007 this Fund was named Scotia Canadian Stock Index Fund.
Prior to October 24, 1998 this Fund was named National Trust Canadian Index Fund.
47. Scotia U.S. Index Fund (“**U.S. Index Fund**”)
Prior to November 1, 2007 this Fund was named Scotia American Stock Index Fund.
Prior to October 24, 1998 this Fund was named National Trust U.S. Index Fund.
48. Scotia CanAm Index Fund (“**CanAm Index Fund**”)
Prior to November 1, 2007 this Fund was named Scotia CanAm Stock Index Fund.
Prior to October 24, 1998 this Fund was named Scotia CanAm Growth Fund.
49. Scotia Nasdaq Index Fund (“**Nasdaq Index Fund**”)
50. Scotia International Index Fund (“**International Index Fund**”)
Prior to November 1, 2007 this Fund was named Scotia International Stock Index Fund.
51. Scotia Selected Balanced Income Portfolio (“**Selected Balanced Income Portfolio**”)
Prior to November 29, 2013, this Fund was named Scotia Selected Income & Modest Growth Portfolio.
Prior to November 1, 2007 this Fund was named Scotia Selected Income & Modest Growth Fund.
52. Scotia Selected Balanced Growth Portfolio (“**Selected Balanced Portfolio**”)
Prior to November 29, 2013, this Fund was named Scotia Selected Balanced Income & Growth Portfolio.
Prior to November 1, 2007 this Fund was named Scotia Selected Balanced Income & Growth Fund.
53. Scotia Selected Growth Portfolio (“**Selected Growth Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Selected Moderate Growth Portfolio.

Prior to November 1, 2007 this Fund was named Scotia Selected Conservative Growth Fund.

54. Scotia Selected Maximum Growth Portfolio (“**Selected Maximum Growth Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Selected Aggressive Growth Portfolio.

Prior to November 1, 2007 this Fund was named Scotia Selected Aggressive Growth Fund.

55. Scotia Selected Income Portfolio (“**Selected Income Portfolio**”)

56. Scotia Partners Income Portfolio (“**Partners Income Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Partners Diversified Income Portfolio.

57. Scotia Partners Balanced Income Portfolio (“**Income Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Partners Income & Modest Growth Portfolio.

58. Scotia Partners Balanced Growth Portfolio (“**Balanced Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Partners Balanced Income & Growth Portfolio.

59. Scotia Partners Growth Portfolio (“**Partners Growth Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Partners Moderate Growth Portfolio.

Prior to November 1, 2007 this Fund was named Scotia Partners Conservative Growth Portfolio.

60. Scotia Partners Maximum Growth Portfolio (“**Partners Maximum Growth Portfolio**”)

Prior to November 29, 2013, this Fund was named Scotia Partners Aggressive Growth Portfolio.

The Partners Income Portfolio, Income Portfolio, Balanced Portfolio, Partners Growth Portfolio and Partners Maximum Growth Portfolio are collectively referred to as the “**Scotia Partners Portfolios**”. The Selected Balanced Income Portfolio, Selected Balanced Portfolio, Selected Growth Portfolio, Selected Maximum Growth Portfolio and Selected Income Portfolio are collectively referred to as the “**Scotia Selected Portfolios**”.

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 and January 15, 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.

The Manager is the trustee and manager of the Funds. The head office of the Manager and of the Funds is located at 1 Adelaide Street East, 28th Floor, Toronto, Ontario, M5C 2V9.

INVESTMENT RESTRICTIONS AND PRACTICES

The applicable simplified prospectus of a Fund contains detailed descriptions of the investment objectives, investment strategies and risk factors for the Fund. 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.

The Global Bond Fund

The Global Bond Fund may invest:

- (a) up to 20% of its net assets in securities issued or guaranteed as to principal and interest by any government or agency thereof (other than a government of Canada or a province thereof or of the United States, in which investment by all of the Funds is unrestricted) or any of the International Bank for Reconstruction and Development (more commonly known as the World Bank), the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank, the International Finance Corporation, the European Bank for Reconstruction and Development and the European Investment Bank (collectively, “**Permitted Agencies**”), provided that the securities have a minimum AA rating by Standard & Poor’s Corporation or the equivalent rating by any other designated rating organization under NI 81-102; or
- (b) up to 35% of its net assets in securities issued or guaranteed as to principal and interest by Permitted Agencies, provided that the securities have a minimum AAA rating by Standard & Poor’s Corporation or the equivalent rating by any other designated rating organization under NI 81-102.

The restrictions and practices so adopted are incorporated herein by reference and a copy will be furnished upon request addressed to the distributor of the Fund.

The Mortgage Income Fund

In accordance with National Policy Statement No. 29 (“**NP 29**”) and exemptive relief decisions of the securities regulatory authorities that vary the applicability of NP 29 and other applicable securities laws, the Mortgage Income Fund will not:

- invest in mortgages, other than first mortgages on real estate situated in Canada which have been appraised by a qualified appraiser (as hereinafter defined);
- invest in mortgages on raw or undeveloped land or in mortgages with loan-to-value ratios exceeding 80% unless such mortgages are insured under the National Housing Act (Canada) or any similar act of a province, or the excess over 80% is insured by an insurance company registered or licensed under the Insurance Companies Act (Canada) or insurance acts or similar acts of a Canadian province or territory;
- invest more than the lesser of \$1,000,000 or 5% of its net assets in any one mortgage so long as it has net assets of less than \$50,000,000, and not more than 2% of its net assets in any one mortgage where it has net assets of \$50,000,000 or more, and for the purposes of this paragraph, a series of mortgages on one condominium development shall be considered as one mortgage;
- invest in mortgages on residential properties of more than 8 units or on commercial and industrial properties until it has net assets of at least \$15,000,000, and then not if, as a result of such investment, more than 40% of its net assets would consist of such mortgages (provided that such mortgages in excess of 20% of its net assets must be insured by an agency of the Government of Canada or of a province of Canada);
- invest in mortgages having an amortization period exceeding 30 years, unless the mortgages are insured under the National Housing Act (Canada) or any similar act of a province, or in mortgages on residential properties of more than 8 units or on commercial and industrial properties having a remaining term to maturity of more than 10 years, or in mortgages on any other classification of property having a remaining term of more than 5 years except that up to 10% of its net assets may be invested in residential mortgages with maturities up to 10 years; and
- borrow money except to cover the redemption of units prior to a realization of assets for such purpose. Such loans shall not in any event exceed 10% of its net asset value (“NAV”) as at the immediately preceding valuation date and shall be of a temporary nature only.

The term “qualified appraiser” means a bank, trust company, loan company or insurance company, or other person or company which makes appraisals and whose opinions are relied upon in connection with lending or servicing activities, and who in the judgment of the Manager is properly qualified to make such a determination.

The Mortgage Income Fund will not invest in mortgages if such acquisition would have the effect of reducing the Fund's liquid assets (as hereinafter defined) to an amount less than the amount established by the following formula:

Net Assets of the Fund (market value)	Amount of Liquid Assets
\$ 1,000,000 or less	\$100,000
\$ 1,000,000	\$100,000 + 10% on next \$ 1,000,000
\$ 2,000,000	\$200,000 + 9% on next \$ 3,000,000
\$ 5,000,000	\$470,000 + 8% on next \$ 5,000,000
\$10,000,000	\$870,000 + 7% on next \$10,000,000
\$20,000,000	\$1,570,000 + 6% on next \$10,000,000
\$30,000,000 or over	\$2,170,000 + 5% on excess

The term "liquid assets" means cash or deposits with a Canadian chartered bank or with any trust company registered under the laws of any province of Canada which are cashable or saleable prior to maturity, debt securities valued at market issued or guaranteed by the Government of Canada or of any province of Canada, and money market instruments maturing prior to one year from the date of issue.

National Policy Statement No. 29 permits four general methods to be used by Canadian mutual funds for determining the price at which mortgages may be acquired. Where a mutual fund acquires mortgages from a lending institution with which the fund, its management company and/or the insiders of either of them are dealing at arm's length, such mortgages must be acquired at that principal amount which produces at least the yield prevailing for the sale of comparable unserviced mortgages by major mortgage lenders under similar conditions. In all other cases, mortgages may only be acquired by a fund according to one of the following three methods:

- (i) at that principal amount which will produce a yield to the fund equal to the interest rate at which the lending institution is making commitments to loan on the security of comparable mortgages at the time of purchase by the fund;
- (ii) at that principal amount which will produce the same yield to the fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment provided that the date of commitment is not more than 120 days prior to the date of acquisition of the mortgage by the fund, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment; or

- (iii) at that principal amount which will produce a yield to the fund of not more than 1/4 of 1% less than the interest rate at which the lending institution is making commitments, at the time of purchase, to loan on the security of comparable mortgages, provided that the lending institution which sells mortgages to the fund has entered into an agreement to repurchase the mortgages from the fund in circumstances benefiting the fund and that such an agreement is considered by the administrators to justify the difference in yield to the fund.

A fund utilizing the technique described in paragraph (iii) above will realize a yield on its mortgage investments which is less than that resulting from the use of the techniques described in paragraph (i) and paragraph (ii) provided that there is no change in interest rates during the period between the commitment for and the purchase of the mortgages. This relationship between the techniques described in paragraph (i) and paragraph (iii) is generally unaffected by movements in interest rates. During periods of constant interest rates, the techniques described in paragraphs (i) and (ii) will produce the same yield to the fund. During periods of rising interest rates, the technique described in paragraph (i) will produce a greater yield than that described in paragraph (ii) and the opposite is the result during periods of decreasing interest rates. The same relationship will generally apply to the technique described in paragraph (iii) when compared to that described in paragraph (i).

The Mortgage Income Fund has received permission from securities regulatory authorities to (i) purchase mortgages from, or sell mortgages to, certain related parties, and (ii) invest in mortgages on a property in which certain related parties has an interest, as mortgagor, provided that the independent review committee (“**IRC**”) of the Fund has approved the transaction and subject to certain other conditions. The IRC has reviewed the Manager’s policies and procedures related to purchasing mortgages from, or selling mortgages to, related parties and related to investing in mortgages of related parties and has given its approval, as a standing instruction, for the Mortgage Income Fund to purchase mortgages from, or sell mortgages to, related parties and to invest in mortgages on a property in which certain related parties have an interest, as mortgagors.

The Mortgage Income Fund intends to purchase its mortgages from Scotia Mortgage Corporation (“**SMC**”), a wholly-owned subsidiary of The Bank of Nova Scotia (“**Scotiabank**”), and from Scotiabank. Scotiabank has agreed to purchase from the Mortgage Income Fund any mortgage purchased from SMC if the mortgage is in default or is not a valid first mortgage. Consequently, the Mortgage Income Fund intends to use the method described in paragraph (c) above to determine the price at which mortgages will be purchased. The price upon repurchase by Scotiabank will be equal to the principal outstanding and any accrued and unpaid interest on the mortgage. The Mortgage Income Fund will include information in its management report of fund performance relating to mortgages purchased or sold through Scotiabank, SMC or any other related party.

Analysis of Mortgage Portfolio

Mortgages by contractual interest rates as at October 17, 2014

	<u>Number of Mortgages</u>	<u>Rate of Interest (%)</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
	1	0.50-0.74	218,546	211,875
	7	1.00-1.24	111,878	109,269
	7	2.25-2.49	1,920,297	1,891,465
	50	2.50-2.74	9,393,607	9,309,192
	292	2.75-2.99	38,991,420	39,005,526
	85	3.00-3.24	8,521,395	8,543,270
	157	3.25-3.49	25,162,275	25,515,489
	128	3.50-3.74	16,218,407	16,377,329
	189	3.75-3.99	18,204,178	18,372,236
	109	4.00-4.24	6,358,081	6,375,526
	30	4.25-4.49	2,554,254	2,562,484
	99	4.50-4.74	9,381,874	9,386,175
	3	4.75-4.99	215,878	216,085
	5	5.00-5.24	1,088,235	1,219,821
	6	5.25-5.49	946,550	1,000,085
	8	5.50-5.74	764,708	804,228
	4	5.75-5.99	674,423	712,690
	1	6.00-6.24	17,486	18,080
	3	6.25-6.49	438,837	452,858
	1	6.50-6.74	14,677	15,596
	1	7.00-7.24	105,219	115,778
Total	<u>1,180</u>		<u>141,302,225</u>	<u>142,125,057</u>

Mortgages by year of maturity as at October 17, 2014

<u>Year Ended</u>	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
2014	444	55,349,473	55,656,475
2015	371	41,307,874	41,210,643
2016	448	56,376,591	57,143,104
2017	64	10,500,075	10,656,493
2018	48	5,579,353	5,602,477

<u>Year Ended</u>	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
2019	59	7,750,864	7,743,220
2023	2	129,183	128,806
Total	1,180	141,302,225	142,125,057

Mortgages by geographic location as at October 17, 2014

<u>Province</u>	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
Ontario	444	55,349,473	55,656,475
British Columbia	161	24,194,846	24,371,687
Alberta	182	25,995,225	26,135,958
Quebec	138	15,740,476	15,830,770
Saskatchewan	37	4,297,130	4,317,469
Nova Scotia	71	4,006,768	4,023,955
Newfoundland and Labrador	50	4,097,650	4,125,218
New Brunswick	59	3,991,172	4,013,597
Manitoba	27	2,429,056	2,444,400
Prince Edward Island	9	1,003,413	1,000,735
Northwest Territories	2	197,016	197,793
Total	1,180	141,302,225	142,125,057

Mortgages by type of property as at October 17, 2014

	<u>Number of Mortgages</u>	<u>Principal (\$)</u>	<u>Market Value (\$)</u>
Single family Dwelling	983	117,003,037	117,846,965
Condominiums	119	13,908,397	13,893,774
Multi-Unit Dwelling of up to 8 Units	78	10,390,791	10,384,318
Total	1,180	142,302,225	142,125,057

Mortgages having instalments 90 days or more in arrears as at October 17, 2014

There are no mortgages in arrears over 90 days as at October 17, 2014. There is an agreement between Scotiabank, Scotia Mortgage Corporation and Scotia Mortgage Income Fund whereby Scotiabank has agreed to repurchase mortgages which originate with Scotiabank or Scotia Mortgage Corporation should such mortgages go into default for more than 90 days.

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 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.

The CanAm Index Fund will invest in futures contracts to create exposure to the performance of the S&P 500 Index. The International Index Fund will invest in futures contracts to create exposure to the equity performance of stock markets of selected countries. Investing in, or using, derivatives is subject to certain risks.

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 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 mutual 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, where applicable, 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. The U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund are valued and reported for most purposes in U.S. dollars.

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 in series other than the Advisor Series of the Funds are not charged sales commissions or redemption fees when they invest in or redeem units of the Funds, unitholder meetings in respect of Series A, Series D, Series F, Series I, Series M or Premium Series units 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. Advisor Series unitholders will get to vote on any such fee or expense increase, unless the increase relates to a fee or expense charged by an arm's length third party.

Special Considerations – the U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund

Currency – The U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund units are valued in U.S. dollars. Please refer to *What are units and series of units of the Funds?*.

Currency Restriction - Investors must pay for units of the U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund and receive cash distributions and redemption proceeds from the U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund in U.S. dollars.

How the Units are Valued

How much a Fund is worth is called its “net asset value”. 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.

Although no assurance can be given, the Manager expects the value of units of the T-Bill Fund, Premium T-Bill Fund, Money Market Fund and U.S. Money Market Fund to be maintained at the issue price of \$10.00 per unit (in Canadian or U.S. dollars as applicable) as all net interest income earned and net capital gains realized by such Funds are calculated at the close of business on each business day and credited to accounts maintained for the benefit of unitholders of record at that time. Net realized capital gains on the U.S. Money Market Fund

may be declared payable from time to time. By the close of business on the last business day of the month, all such amounts not previously distributed are distributed in the form of additional units unless a unitholder has requested in writing to receive cash distributions.

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 the 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 or if the Fund is offered in U.S. dollars, from any other currency to U.S. dollars, 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 has not exercised its discretion to deviate from the valuation principles described above in the last three years.

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 the Funds 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 other than Advisor Series units. Series A units are available to all investors. Series A units of the Funds may be purchased directly from Scotia Securities Inc. and ScotiaMcLeod and Scotia iTRADE, each a division of Scotia Capital Inc., in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE are qualified to receive orders for purchase or with dealers and brokers qualified in your province or territory. Series D units are generally only available to investors who have accounts with discount brokers, including Scotia iTrade. A lower management fee is charged on Series D units due to a reduced trailing commission applicable in respect of Series D units. If investors hold units of a Fund, other than Series D units, in a discount brokerage account, including an account at Scotia iTRADE and become eligible to hold Series D units, such other units will not be reclassified as Series D units automatically. Series T units are available to all investors. Series T units are intended for investors seeking stable monthly distributions. 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 ("**Scotiast**rust"). Prospective purchasers of Series F units must have a fee-based account with authorized brokers or dealers, including ScotiaMcLeod. Series I units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager. Premium Series units may only be purchased by investors who meet the required minimum investment, as determined by the Manager from time to time. Series M units may only

be purchased by clients of the Manager or Scotiatrust that have entered into a discretionary management agreement. Advisor Series units are available through authorized dealers and brokers, including ScotiaMcLeod.

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 minimum amounts for initial and subsequent purchases of Series A, Series D and Premium Series units of the Funds are set out in the table below. For Series F units of a Fund (except the Scotia Partners Portfolios), the minimum initial investment is \$2,500 and the minimum for each additional investment is \$50. The minimum initial investment for Series F units of the Scotia Partners Portfolios is as set out in the table below. For Series I units of a Fund, the minimum initial investment is generally \$1,000,000. The minimum initial investment for a Series M Fund is generally \$250,000.

The minimum amounts may be varied or waived at any time without notice at the absolute discretion of the Manager. The Manager reserves the right to terminate your account with a Fund if the NAV of your investment in the Fund falls below the applicable minimum for an initial purchase. Your dealer or broker may impose higher minimum initial or additional investment amounts.

	Minimum initial investment		Minimum additional investment (including Pre-Authorized Contributions ¹)
Fund	All accounts except <i>ican Invest Program</i> ² accounts and all Scotia Registered Plans except Scotia RRIFs	Scotia RRIFs	
Scotia Canadian Bond Index Fund Scotia Canadian Index Fund Scotia U.S. Index Fund Scotia CanAm Index Fund Scotia Nasdaq Index Fund Scotia International Index Fund	\$1,000	\$5,000	\$50
Scotia T-Bill Fund Scotia U.S. \$ Money Market Fund ³	\$2,000	\$10,000	\$50
Scotia Money Market Fund (Series A and Advisor Series)	\$2,000	\$10,000	\$50 (\$100 for Advisor Series Units)
Scotia Money Market Fund (Premium Series) ⁴ Scotia Premium T-Bill Fund ⁴	\$100,000	\$250,000	\$500
Scotia Global Growth Fund	\$100	\$5,000	\$25 (\$100 for Advisor Series units)
Scotia U.S. \$ Bond Fund ³ Scotia U.S.\$ Balanced Fund ³	\$500	\$5,000	\$50
All other Funds	\$500	\$5,000	\$50
Scotia Partners Portfolios	\$10,000	\$10,000	\$50
Scotia Selected Portfolios	\$2,500	\$2500	\$50 (\$100 for Advisor Series units)

¹ If you choose to invest less frequently than monthly using Pre-Authorized Contributions (i.e. bi-monthly, quarterly, semi-annually or annually), the minimum amount for each investment will be determined by multiplying the amounts shown here by twelve and then dividing the product by the number of investments you make over the course of one calendar year. For example, for most Funds, if you choose to invest quarterly, the minimum investment for each quarter will be $\$50 \times 12 \div 4$, or \$150.

² The minimum initial investment for the Monthly Income Fund, Balanced Fund, Balanced Opportunities Fund and Global Fund is waived when these Funds are purchased through the *ican Invest Program* offered through Scotiabank. See *ican Invest Program* for details.

³ You must use U.S. dollars to buy this Fund.

⁴ The Manager reserves the right, without notice to you, to change your Premium Series units into Series A units of the Money Market Fund and to switch your units of the Premium T-Bill Fund for series A units of the T-Bill

Fund, as applicable, if you do not maintain the minimum initial investment shown here. You will be deemed not to have maintained the minimum investment if the current market value of your units on the last business day of any month is less than the minimum initial investment amount shown above.

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, Scotia Securities Inc., as principal distributor of Series A, Series F, Premium Series and Advisor Series units of the Funds, must pay to the Fund the amount of the deficiency. Scotia Securities Inc. is 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. Where no other dealers or brokers have been involved in an order for units, Scotia Securities Inc. is entitled to collect such amounts described above from the investor who has failed to make payment for the units ordered.

Other than the short-term trading fee described below, the Funds (with the exception of Advisor Series units) 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 Series A, Series D, Series F or Premium Series units of a Fund through a dealer other than Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE. You negotiate any charge or fee directly with your dealer. Series A, Series D, and Series I 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. There are no sales charges on Series M units.

When you buy Advisor Series units of a Fund, you can choose any one of the following purchase options. You and your registered investment professional will determine which purchase option is suitable for you. All of the Funds that offer Advisor Series units offer the purchase options described below. Your choice of purchase option will affect the amount of compensation paid to your dealer.

Front-end sales charge option

If you buy Advisor Series units under this option, you pay a sales commission at the time of purchase. The commission is a percentage of the amount you invest and is paid to your dealer. You and your registered investment professional negotiate the actual commission. The percentage ranges from 0% to 6% of the amount you invest. The percentage is deducted from the amount you invest and paid to your dealer.

Deferred sales charge option

If you buy Advisor Series units under this option, you do not pay a commission when you invest in the Funds. Instead, we pay your dealer a selling commission of 5% of the amount you invest. However, under certain circumstances, if you sell, reclassify or convert your units within six years of buying them, you'll pay a deferred sales charge at the time of your transaction. The charge is based on the original cost of your units and how long you have held them. The charge is deducted from the value of the units you redeem based on the following deferred sales charge schedule:

If you redeem:	You pay:
During the first year	6.0%
During the second year	5.5%
During the third year	5.0%
During the fourth year	4.5%
During the fifth year	3.5%
During the sixth year	2.0%
Thereafter	Nil

Low load sales charge option

If you buy Advisor Series units under this option, you do not pay a commission when you invest in the Funds. Instead, we pay your dealer a selling commission of 3% of the amount you invest. However, under certain circumstances, if you sell, reclassify or convert your units within three years of buying them, you'll pay a deferred sales charge at the time of your transaction. The charge is based on the original cost of your units and how long you have held them. The charge is deducted from the value of the units you redeem based on the following low load sales charge schedule:

If you redeem:	You pay:
During the first year	3.0%
During the second year	2.5%
During the third year	2.0%
Thereafter	Nil

Changing Advisor Series purchase options

If, after buying your Advisor Series units, you agree with your registered investment professional to change your purchase option within the Advisor Series units of the same Fund or to the Advisor Series units of another Fund, you will have to pay any deferred sales charge that applies at the time of such change.

Sales Commissions

The Manager may pay Scotia Securities Inc. an up-front sales commission of up to 1% of the amount invested by a unitholder in Series A or Premium Series units, 5% of the amount invested by a unitholder in Advisor Series units purchased under the deferred sales charge option, and 3% of the amount invested by a unitholder in Advisor Series units purchased under the low load sales charge option.

Trailing Commissions and Sales Incentive Programs

The Manager may pay Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE employees or other registered brokers and dealers a trailing commission on Series A, Series D, Premium Series and Advisor Series 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. The Manager does not pay trailing commissions on Series F, Series I or Series M units. From time to time, prizes such as cash or merchandise, may be awarded in connection with sales of units of the Funds to individual Scotia Securities Inc. employees. See *Dealer compensation* in the applicable simplified prospectus of the Funds for details about trailing commissions and sales incentive programs.

In addition, Scotiabank may also include sales of units of the Funds in its general employee incentive programs which involve many different Scotiabank products.

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 Fund are sold, and the proceeds are used to buy units of the second Fund. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee.

Switches from Advisor Series units purchased under the deferred sales charge option or low load sales charge option to Series A, Series D, Series F, Series I or Premium Series units may be subject to a redemption fee. You may only switch between Funds valued in the same currency. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

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 issued by cheque 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) any of the Cash Equivalent Funds; (ii) transactions not exceeding a certain minimum dollar amount, as determined by the Manager from time to time; (iii) trade corrections or any other action initiated by the Manager or the applicable portfolio advisor; (iv) transfers of units of one Fund between two accounts belonging to the same unitholder; (v) regularly scheduled registered retirement income fund ("RRIF") or life income fund ("LIF") payments; (vi) regularly scheduled automatic withdrawal payments in Registered Plans; and (vii) 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., ScotiaMcLeod or Scotia iTRADE in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE are 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, Scotia Securities Inc., as principal distributor of Series A, Series F, Premium Series and Advisor Series units of the Funds, must pay the applicable Fund the amount of the deficiency. Scotia Securities Inc. is 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 (defined below) 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 applicable 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 A, Series D, Premium Series or Advisor Series 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. If you choose to invest in Advisor

Series units less frequently than monthly using Pre-Authorized Contributions (i.e. bi-monthly, quarterly, semi-annually or annually), the minimum amount for each investment will be determined by multiplying the minimum additional investment amount of \$100 by twelve and then dividing the product by the number of investments you make over the course of a calendar year. For example, if you choose to invest quarterly, the minimum investment for each quarter will be \$300 ($\$100 \times 12 \div 4$).

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 Series A, Series D, Series F, Premium Series and Advisor Series units of the Funds may be available through ScotiaMcLeod and other dealers.

Pre-authorized contribution 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. New 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. Existing participants in a pre-authorized investment plan or a similar contribution plan will receive a one-time notice indicating that, for purchases of units of a Fund through a plan made after June 13, 2014, the applicable Fund Facts will not be provided unless so requested or if the participant previously instructed they wish to receive the Fund's simplified prospectus. In the latter case, the applicable Fund Facts will be provided instead of the simplified prospectus. This exemption does not apply to investors resident in Québec. For more information, refer to *Pre-authorized contributions* in the applicable simplified prospectus of the Funds.

ican Invest® Program

The *ican Invest*® Program (the "Program") offered by Scotiabank is designed to assess your current financial situation and recommend solutions for each of your goals by suggesting investment options based on your particular needs. The Program is not available for Advisor Series units of the Funds. Through the Program, you determine an amount you can contribute towards each goal on a regular basis. Pre-authorized contributions will be made from your bank account to the investments you select. Minimum initial investments do not apply to units of some Funds when purchased through the Program. See *How to Purchase Units* for details.

Registered Plans

You may open a Scotia registered retirement savings plan ("RRSP"), RRIF, life income retirement account, locked-in retirement savings plan, LIF, locked-in retirement income fund,

prescribed retirement income fund, tax-free savings account (“TFSA”) or registered education savings plan (collectively, together with a deferred profit sharing plan and a registered disability savings plan, “**Registered Plans**”) for units of the Funds. Minimum initial and subsequent deposits for a Scotia 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 Funds 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 the Manager or 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 or Scotia Securities Inc. 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

Series A, Series D, Series F, Premium Series and Advisor Series unitholders may establish an automatic withdrawal plan (in U.S. dollars in the case of the U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund) under which sufficient units of a Fund will be redeemed on a periodic basis in order to provide these unitholders with regular cash payments. To establish and maintain an automatic withdrawal plan for Series A, Series D, Series F or Premium Series units, the following minimum initial balance and withdrawal amounts apply, which may be varied or waived at any time without notice in the absolute discretion of the Manager:

Fund	Minimum Balance to start the Plan	Minimum for each Withdrawal
T-Bill Fund		
Money Market Fund ¹		
U.S. Money Market Fund ²	\$10,000 ¹	\$100 ¹
Premium T-Bill Fund	\$250,000	\$500
All other Funds ²	\$5,000	\$50

1 Premium Series units require you to maintain a minimum investment amount of \$100,000. You may set up an automatic withdrawal plan for Premium Series units as long as you withdraw a minimum of \$500 each time. If you start an automatic withdrawal plan on Premium Series units, you should ensure that you maintain this minimum investment amount, otherwise we may, without notice to you, change your Premium Series units into Series A units of the Money Market Fund.

2 You must use U.S. dollars for the U.S. Money Market Fund, U.S. Bond Fund and U.S. Balanced Fund.

For Advisor Series units, you may start the plan as long as the value of your investment in a Fund is greater than the Fund's minimum initial investment. See *How to Purchase Units* to determine the minimum investment amounts. The minimum for each withdrawal under the plan is \$100. The minimum initial investment amounts and withdrawal amounts may be varied or waived at any time without notice in the absolute discretion of the Manager.

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*.

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.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a general, but not an exhaustive, summary of how 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 particular 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 a 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 units 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 6²/₃% 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.

The redemption of units by a Fund in order to satisfy the amount of the applicable deferred sales charge payable by a unitholder will be a disposition of such units by the unitholder and will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such units exceed (or is exceeded by) the aggregate of the adjusted cost bases of such units and any reasonable costs of disposition.

Non-Taxable Unitholders of the Fund

In general, distributions paid or payable by a Fund to Registered Plans and capital gains realized by Registered Plans 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 for investors – Units held in a non-registered account* in the applicable simplified prospectus of the Funds 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 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 May 14, 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, where applicable, administration fees from the Funds in respect of certain series of units, as described in the applicable simplified prospectus of the Funds.

Reductions in management fees for the Funds can be negotiated between the Manager and certain investors in the Funds. 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. Unitholders of the Premium T-Bill Fund receive a management fee distribution of 0.20% of the value of the Fund within their account if the value of the Fund is \$250,000 to \$1,000,000 and a management fee distribution of 0.35% of the value of the Fund within their account if the value of the Fund is greater than \$1,000,000. Eligibility for management fee distributions for unitholders of the other Funds is based on the size of the investment made or held in one or more 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 investor or unitholder. The Manager will not receive any fees as trustee of the Funds.

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 1832 Asset Management G.P. Inc., the general partner of the Manager, their principal occupations over the past five years, and the positions and offices held with 1832 Asset Management G.P. Inc. are as follows:

Name and Municipality of Residence	Position with 1832 Asset Management G.P. Inc.	Principal occupation
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Name and Municipality of Residence	Position with 1832 Asset Management G.P. Inc.	Principal occupation
Jordy W. Chilcott Oakville, Ontario	Chairman of the Board, Co-President and Director	Co-President, the Manager Managing Director & Head, Global Asset Management – Retail & Wealth Mexico, Scotiabank
Robin Lacey, Toronto, Ontario	Co-President and Director	Co-President, the Manager Managing Director & Head, Global Institutional Asset Management, Scotiabank
Stephen Morson Toronto, Ontario	Chief Financial Officer and Director	Chief Financial Officer, the Manager Vice President, Finance, Global Wealth Management, Scotiabank
Mark Brisley Newmarket, Ontario	Director	Managing Director & Head, Dynamic Funds
Neil C. Macdonald Toronto, Ontario	Director	Managing Director, Scotiabank
Richard McIntyre Mississauga, Ontario	Director	Managing Director & Head, Scotia Private Client Group Canada, Scotiabank
Jim Morris Caledon, Ontario	Director	Chief Operating Officer, the Manager
James O'Sullivan Toronto, Ontario	Director	Executive Vice President, Global Wealth Management, Scotiabank
John Pereira Richmond Hill, Ontario	Director	Senior Vice President, Operations & Technology, Global Wealth Management, Scotiabank
Roxana Tavana Toronto, Ontario	Vice President, Legal and Secretary	Vice President and Associate General Counsel, Legal, Global Asset Management, Scotiabank
Simon Mielniczuk Toronto, Ontario	Assistant Secretary	Senior Manager, Legal Services, Global Asset Management, 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:

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

The Manager has engaged Baillie Gifford Overseas Limited (“Baillie Gifford”), CI Investments Inc. (“CI”), Connor, Clark & Lunn Investment Management Ltd. (“CCLIM”), Hermes Sourcecap Limited (“Hermes”), State Street Global Advisors, Ltd. (“State Street”), Scotia Inverlat Casa de Bolsa, S.A. De C.V., Grupo Financiero Scotiabank Inverlat (“SICB”) and Thornburg Investment Management, Inc. (“Thornburg”) to provide investment advice to the Funds. Baillie Gifford, CI, CCLIM, Hermes, State Street, SICB and Thornburg have the

authority, subject to the direction of the Manager, to give instructions to purchase and sell securities of the Funds in accordance with their respective investment objectives and restrictions. Baillie Gifford is an Edinburgh based investment advisor founded in 1908 with US\$84 billion of assets under management. CI was established in 1965 and has offices in Toronto, Vancouver, Calgary and Montreal. The firm is a leading investment manager with about \$67 billion in assets under management. CI is wholly-owned by CI Financial Corp. CCLIM was established in 1982 and has offices in Vancouver and Toronto. The firm provides professional asset management for pension fund sponsors, capital accumulation plans, corporations, not for profit organizations, mutual funds and individual investors. The firm is part of the Connor, Clark & Lunn Financial Group of companies, which has over \$32 billion in assets under management. Hermes is a London based investment manager with approximately \$1.14 billion in assets under management. State Street is one of the industry's largest institutional asset managers with approximately US\$1.7 trillion in assets under management. Thornburg is a Santa Fe based investment advisor founded in 1982 with US\$48 billion of assets under management. The agreement with each portfolio sub-advisor may be terminated by either the Manager or the portfolio sub-advisor giving up to 90 days prior notice to the other of such termination. For additional information concerning the management of the Funds, you should refer to Material Contracts in this annual information form.

Pursuant to the Management Agreement the Manager acts as portfolio advisor to the T-Bill Fund, Premium T-Bill Fund, Money Market Fund, U.S. Money Market Fund, Short Term Bond Fund, Government Bond Pool, Mortgage Income Fund, Bond Fund, Income Fund, Corporate Bond Pool, U.S. Bond Fund, Global Bond Fund, Conservative Income Fund, Scotia Floating Rate Income Fund, Monthly Income Fund, Income Advantage Fund, Balanced Fund, Dividend Income Fund, U.S. Balanced Fund, Preferred Share Pool, Dividend Fund, Canadian Blue Chip Fund, Canadian Equity Pool, Canadian Growth Fund, Small Cap Fund, Resource Fund, North American Dividend Pool, U.S. Dividend Pool, U.S. Equity Pool, U.S. Blue Chip Fund, U.S. Opportunities Fund, International Value Fund, Pacific Rim Fund, Global Small Cap Fund and Global Opportunities Fund. In addition, the Manager is the portfolio advisor to the Scotia Partners Portfolios and the Scotia Selected Portfolios. The individuals providing advice are as follows:

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Oscar Belaiche <i>Scotia Diversified Monthly Income Fund</i> <i>Scotia Private Real Estate Income Pool (Co-manager)</i>	Portfolio Manager	17 years	Joined in October 1997
Domenic Bellissimo <i>Scotia Income Advantage Fund (Co-Manager)</i>	Portfolio Manager	9 years	Joined in June 2005.

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Romas Budininkas <i>Scotia Bond Fund</i> <i>Scotia Global Bond Fund</i> <i>Scotia T-Bill Fund</i> <i>Scotia Premium T-Bill Fund</i> <i>Scotia Canadian Income Fund</i>	Portfolio Manager	23 years	Joined in March 2011 From November 2009 to March 2011 – Managing Director, Fixed Income Investments, the Manager From March 2003 to November 2009 – Managing Director, Fixed Income Investments, Scotia Cassels Investment Counsel Limited
Judith Chan <i>Scotia Partners Portfolios and the Scotia Selected Portfolios</i>	Director, Portfolio Solutions – Scotia Asset Management	9 years	From September 2012 to present – Director, Portfolio Solutions, the Manager From November 2008 to September 2012 – Senior Manager, Investment Oversight, the Manager From September 2005 to November 2008 – Manager, Investment Oversight, Scotia Securities Inc.
Robert Cohen <i>Scotia Resource Fund (Co-Manager)</i>	Portfolio Manager	16 years	Joined in January 1998
Adam Donsky <i>Scotia Canadian Balanced Fund</i> <i>Scotia Canadian Blue Chip Fund</i> <i>Scotia U.S. Blue Chip Fund</i>	Portfolio Manager	10 years	Joined in February 2004
David L. Fingold <i>Scotia Global Opportunities Fund</i> <i>Scotia U.S. Opportunities Fund</i> <i>Scotia U.S. Balanced Fund (Co-Manager)</i> <i>Scotia Private U.S. Equity Pool</i>	Portfolio Manager	12 years	Joined in January 2002

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Marc-André Gaudreau <i>Scotia Floating Rate Income Fund</i>	Portfolio Manager	2 years	Joined in November 2012. From March 2012 to November 2012 - Vice President and Senior Portfolio Manager, Fixed Income at Fiera Capital Corporation From 2004 to March 2012 - Senior Vice President and Co-Head, Fixed Income at Natcan Investment Management Inc.
Jason Gibbs <i>Scotia Canadian Dividend Fund</i> <i>Scotia Income Advantage Fund (Co-Manager)</i>	Portfolio Manager	14 years	Joined in May 2000
William Girard <i>Scotia Money Market Fund</i> <i>Scotia U.S. \$ Money Market Fund</i> <i>Scotia Private Canadian Corporate Bond Pool</i> <i>Scotia Private Canadian Preferred Share Pool</i>	Portfolio Manager	19 years	Joined in March 2011 From November 2009 to March 2011 – Director, Fixed Income – Credit, the Manager From October 2003 to November 2009 – Director, Fixed Income – Credit, Scotia Cassels Investment Counsel Limited
Alexander Lane <i>Scotia Global Small Cap Fund</i> <i>Scotia Canadian Growth Fund</i> <i>Scotia Canadian Small Cap Fund</i>	Portfolio Manager	13 years	Joined in October 2000
Susan J. Lavigne <i>Scotia Private North American Dividend Pool</i> <i>Scotia Private Canadian Equity Pool</i> <i>Scotia Private U.S. Dividend Pool</i>	Portfolio Manager	10 years	Joined in March 2011 From November 2009 to March 2011 – Director, Canadian Equities, the Manager From August 2003 to November 2009 – Director, Canadian Equities, Scotia Cassels Investment Counsel Limited
Michael McHugh <i>Scotia U.S. \$ Balanced Fund (Co-Manager)</i>	Portfolio Manager	18 years	Joined in October 1996

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Cecilia Mo <i>Scotia Dividend Balanced Fund</i>	Portfolio Manager	3 years	Joined in October 2011 From 2001 to October 2011 – Research Analyst, Fidelity Investments
Kevin Pye <i>Scotia Short Term Bond Fund</i> <i>Scotia Mortgage Income Fund</i> <i>Scotia Private Short- Mid Government Bond Pool</i> <i>Scotia U.S. \$ Bond Fund</i>	Portfolio Manager	4 years	Joined in March 2011 From October 2010 to March 2011 - Portfolio Manager, Fixed Income, the Manager Prior to October 2010, Manager, Bond Investments, The Economical Insurance Group
Jennifer Stevenson <i>Scotia Resource Fund (Co-Manager)</i>	Portfolio Manager	4 years	Joined in August 2010. Prior to August 2010, Managing Director and Portfolio Manager with Quest Investment Management Corp.
Chuk Wong <i>Scotia International Value Fund</i> <i>Scotia Pacific Rim Fund</i>	Portfolio Manager	18 years	Joined in February 1996
Thomas Dicker <i>Scotia Private Real Estate Income Pool</i> <i>Scotia Private Real Estate Income Pool (Co-manager)</i>	Portfolio Manager	3 years	Joined in April 2011 From October 2010 to February 2011 – Manager, LDIC Inc. From January 2007 to October 2010 – Investment Analyst and Head Trader, LDIC Inc. From December 2004 to December 2006 – Trader, LDIC Inc.

Pursuant to an investment advisory agreement dated as of February 19, 2007, Baillie Gifford is the portfolio advisor to the Global Fund. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Andrew Telfer	Chief Executive Officer	22 years	From May 2012 to present – Senior Partner, Baillie Gifford From May 2009 to May 2012 – Head of Institutional Clients Department From May 2006 to May 2009 – Director of Institutional Clients Department From May 2002 to present – Partner, Baillie Gifford
Graham Laybourn	Director of Legal and Regulatory Risk	10 years	From May 2013 to present – Partner, Baillie Gifford From July 2011 to present – Director of Legal and Regulatory Risk, Baillie Gifford From May 2004 to March 2013 – Head of Regulatory Risk, Baillie Gifford
Charles Plowden	Senior Partner	31 years	From May 2006 to present – Joint Senior Partner and Chief of Investment Staff, Baillie Gifford From May 2005 to present – Investment Manager, Global Alpha Team, Baillie Gifford From May 1988 to present – Partner, Baillie Gifford
Spencer Adair	Investment Manager	14 years	From May 2013 to present – Partner, Baillie Gifford From May 2007 to present – Investment Manager, Global Alpha Team, Baillie Gifford From September 2005 to September 2008 – Investment Manager, European Equities, Baillie Gifford
Malcolm MacColl	Investment Manager	15 years	From May 2011 to present – Partner, Baillie Gifford From May 2005 to present – Investment Manager, Global Alpha Team, Baillie Gifford From September 2000 to September 2008 – Analyst and Investment Manager, North American Equities, Baillie Gifford

Pursuant to an investment advisory agreement dated as of August 27, 2010, as amended, CI is the portfolio advisor to the Global Balanced Fund, Global Dividend Fund and Scotia U.S.

Dividend Fund. Pursuant to such investment advisory agreement, CI has the authority to delegate portfolio management of Scotia U.S. Dividend Fund to CI Global Investments Inc. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor (or an affiliated entity)	Principal occupation in the last 5 years
Eric B. Bushell	Senior Vice-President, Portfolio Management, CI Investments Inc.	20 years	Senior Vice-President, Portfolio Management, CI Investments Inc., since January 2000
John W. Hadwen	Vice-President, Portfolio Management, CI Investments Inc.	7 years	Vice-President, Portfolio Management, CI Investments Inc., since July 2007
J. Drummond Brodeur	Vice-President, Portfolio Management, CI Investments Inc.	6 years	Vice-President, Portfolio Management, CI Investments Inc., since July 2007
Geoffrey Marshall	Vice-President, Portfolio Management, CI Investments Inc.	7 years	Vice-President, Portfolio Management, CI Investments Inc., since October 2006
Alan R. Radlo	Co-Chief Investment Officer, Principal and Senior Vice-President, CI Global Investments Inc.	6 years	Co-Chief Investment Officer, Principal and Senior Vice-President, CI Global Investments Inc. since May 2014 Before May 2014, Chief Investment Officer, Principal and Senior Vice-President, CI Global Investments Inc. since June 2011 Senior Vice-President, Portfolio Management, CI Global Investments Inc. since January 2008
Robert Swanson	Chief Market Strategist, Principal and Portfolio Manager, CI Global Investments Inc.	3 years	Chief Market Strategist, Principal and Portfolio Manager, CI Global Investments Inc. since May 2014 Before May 2014, Principal and Portfolio Manager, CI Global Investments Inc. since 2011 Vice-President and Portfolio Manager, Fidelity Management & Research Company since 1999

Pursuant to an investment advisory agreement dated as of January 26, 2004, CCLIM is the portfolio advisor to the Balanced Opportunities Fund. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with Portfolio Advisor (or an affiliated entity)	Principal occupation in the last 5 years
Larry Lunn	Director and Chairman	32 years	From March 2013 to present – Director and Chairman, CCLIM From March 1982 to March 2013 – Director, Chairman and President, CCLIM
Gary Baker	Director and Vice-President	11 years	From March 2006 to present – Director CCLIM From July 2003 to present – Vice President, CCLIM
Brian Eby	Director and Vice President	16 years	From March 2013 to present - Commodity Advising Officer, CCLIM From August 2002 to present – Director, Vice President, CCLIM
Martin Gerber	Director and President	23 years	From March 2013 to present – President & CIO, CCLIM From March 1999 to March 2013 – Director and Commodity Advising Officer, CCLIM
Dion Roseman	Vice President	10 years	From March 2005 to present – Vice President, CCLIM From April 2004 to present – Portfolio Manager/Analyst, Equities, CCLIM
Nereo Piticco	President, Portfolio Manager (PCJ Investment Counsel Ltd.)	18 years	From August 1996 to present – President, Portfolio Manager, PCJ Investment Counsel Ltd.
Lloyd Rowlett	President & Lead Portfolio Manager (Scheer, Rowlett & Associates Investment Management Ltd.)	19 years	From January 1998 to present – President & Lead Portfolio Manager, Scheer, Rowlett & Associates Investment Management Ltd.

Pursuant to an investment advisory agreement dated as of August 30, 2010, Hermes is the portfolio advisor to the European Fund. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with Portfolio Advisor (or affiliated entity)	Principal occupation in the last 5 years
Andrew Parry	Chief Executive Officer	7 years	From November, 2006 until present - Chief Executive Officer of Hermes Sourcecap Limited.
James Rutherford	Co-Portfolio Manager	7 years	From December, 2006 to present – Co-Portfolio Manager, Hermes Sourcecap Limited
Chi Chan	Senior Research Analyst / Co-Portfolio Manager Eurozone Strategy	7 years	From January 2007 to present – Senior Research Analyst / Co-Portfolio Manager Eurozone Strategy, Hermes Sourcecap Limited.
Tim Crockford	Senior Research Analyst / Co-Portfolio Manager Europe ex UK Strategy	6 years	From January 2008 to present – Senior Research Analyst / Co-Portfolio Manager European ex UK Strategy, Hermes Sourcecap Limited.
Martin Todd	Senior Research Analyst / Co-Portfolio Manager European Alpha Strategy	1 year	From March 2013 to present – Senior Research Analyst / Co-Portfolio Manager European Alpha Strategy, Hermes Sourcecap Limited.
Paul Dalton	Product Specialist	3 years	From April 2011 to present – Product Specialist, Hermes Sourcecap Limited.
Richard Board	Research Analyst	2 years	From January 2012 to present – Research Analyst, Hermes Sourcecap Limited.

Pursuant to an amended and restated investment advisory agreement dated as of January 25, 2008, State Street is the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund, International Index Fund, CanAm Index Fund and Nasdaq Index Fund. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Peter Lindley	President and Head of Investments	9 years	From April 2010 to present – President and Head of Investments, SSgA Canada From May 2007 to April 2010 – Vice President and Head of Investments & Fixed Income, SSgA Canada

Portfolio Manager	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Emiliano Rabinovich, CFA	Vice President, Senior Portfolio Manager	8 years	From April 2007 to present – Vice President, Sr. Portfolio Manager, Global Equity Beta Solutions, SSgA
Louis Basque, CFA	Vice President, Portfolio Strategist	14 years	From September 2005 to present – Vice President, Portfolio Strategist, SSgA
Christian Hoffmann, CFA	Principal, Portfolio Manager	10 years	From May 2007 to present – Principal, Portfolio Manager, Fixed Income, SSgA

Pursuant to an investment advisory agreement dated as of November 19, 2012, SICB is the portfolio advisor to the Latin American Fund. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with Portfolio Advisor (or an affiliated entity)	Principal occupation in the last 5 years
Piero Gutiérrez	Director of Investments	7 years	From September 2009 to present- Director, Investments, SICB From July 2008 to September 2009- Associate Director Equity, Scotia Gestion de Activos, the Manager

Pursuant to an investment advisory agreement dated as of April 23, 2007, Thornburg is the portfolio advisor to the International Core Equity Pool. The individuals providing advice are as follows:

Portfolio Manager (and Fund for which responsible)	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Wendy Trevisani	Managing Director and Portfolio Manager	16 years	Managing Director and Co-Portfolio Manager

Portfolio Manager (and Fund for which responsible)	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Charlie Wilson	Portfolio Manager	2 years	2014 Portfolio Manager, Thornburg 2012 – 2014 Associate Portfolio Manager, Thornburg 2009 – 2012 Co-Portfolio Manager, Marsico Capital

Fund Governance

The Manager is responsible for the day-to-day administration and management of the Funds. The Manager is the portfolio advisor of 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 regulatory 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 Ms. Carol S. Perry (Chair), Robert S. Bell, Brahm Gelfand, Simon Hitzig and D. Murray Paton. On October 31, 2014, Garth MacRae ceased to be a member of the IRC as a result of the expiry of his term of office. 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.

Each member of the IRC receives a fee for attending each meeting of the IRC and each meeting held for education or information purposes, as well as an annual retainer and is reimbursed for reasonable expenses incurred. For the financial year ending December 31, 2013, Mr. Bell received \$37,500 and Mr. Gelfand, Mr. Hitzig, Mr. MacRae, Ms. Perry and Mr. Paton received \$35,000 as an annual retainer for their services as IRC members and each of them also received \$1,500 for each meeting attended. The aggregate compensation paid to the IRC for the period ending December 31, 2013 was \$99,882. Mr. Gelfand, Mr. Hitzig and Mr. MacRae were appointed as members of the IRC on November 1, 2013. These fees and expenses were allocated among all the investment funds managed by the Manager for which the IRC has been appointed in a manner that is considered fair and reasonable.

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.

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 a Fund are voted in the best interest of each Fund. We delegate proxy voting responsibility in respect of the securities held by each sub-advised Fund to the Fund’s sub-advisor. Each third-party portfolio sub-advisor’s proxy voting policies and procedures guide that portfolio sub-advisor in determining whether and how to vote on any matter for which the relevant Fund received proxy materials. We review the proxy voting policies of each third party portfolio sub-advisor to ensure that the voting rights will be exercised in accordance with the best interests of the Fund.

Scotia Portfolios

The Manager’s approach to voting of securities depends on the type of portfolio asset of the Fund.

Fund of funds investments

Certain of the Funds, including the Scotia Partners Portfolios and the Scotia Selected Portfolios invest in other underlying mutual funds, including mutual funds managed by us. If a unitholder meeting is called for an underlying fund that is managed by us, the Manager will not vote the units of the underlying mutual fund. The Manager may arrange for these securities to be voted by unitholders of the applicable Fund. However, given the costs and complexity of doing so, the Manager may not arrange for a flow-through of voting rights.

Other securities

Where the Manager acts as portfolio advisor for a Fund that is not sub-advised, it 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 a 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.

Index Funds

Oversight of the proxy voting process is the responsibility of an investment committee at State Street. In order to assist in the due diligence process, State Street has retained a firm with expertise in the proxy voting and corporate governance areas. On routine matters, State Street generally votes in support of management's recommendations. However, each proxy is reviewed individually and, in certain circumstances, State Street may vote against management's recommendation on routine matters if such recommendation is deemed not to be in a Fund's best interests. Non-routine matters are dealt with on a case-by-case basis and State Street will support management's recommendations if they maximize shareholder value. In instances where issues are not addressed by a policy, the Chairman of State Street's investment committee will be consulted for voting guidance. In addressing potential conflicts of interest, the investment committee is guided by its duty to ensure that proxies are voted in a Fund's, and not State Street's, best interests. In circumstances where a potential material conflict cannot be dealt with within an existing proxy voting policy or is of such a nature that State Street believes more active involvement is required, the Chairman presents the proxy to the investment committee who may recommend that an independent third party be retained to determine the appropriate vote.

European Fund

Hermes has adopted a written proxy voting policy and procedures. In the event that Hermes is required to vote a proxy in respect of certain investments it will follow its proxy voting policy. The proxy voting procedures are designed to ensure that proxies are voted in the best interests of clients. In addition, the proxy voting policy includes guidelines if a material conflict of interest arises between Hermes and/or its employees and its clients to ensure that any material conflict of interest is resolved in the best interests of its clients.

Latin American Fund

SICB has established a proxy voting committee and adopted proxy voting guidelines and procedures. The committee meets at least annually to review these guidelines as well as other proxy voting issues. SICB also retains a third party proxy voting service provider to assist in the management of the proxy voting process. The service provider facilitates SICB's proxy voting in accordance with the guidelines and assists in the maintenance of SICB's proxy voting record. In certain circumstances, such as potential conflicts of interest, the third party service provider may also be requested to help decide certain proxy votes. SICB's proxy voting guidelines cover a range of matters that are frequently presented for shareholder votes, some of which may be considered routine. Depending on the issue, SICB guidelines set out when it will vote in favour or against a proposal or when a case by case evaluation is required. SICB may determine to deviate from the guidelines in its discretion when such deviation is deemed to be in its clients'

best interests. Non-routine matters are evaluated and voted upon on a case by case basis, generally following consultation with the appropriate portfolio manager.

Balanced Opportunities Fund

CCLIM retains the services of an independent proxy review firm for proxy voting guidance. CCLIM reviews each proxy, along with the recommendations made by the independent firm, and determines how to vote. CCLIM does not distinguish between routine and non-routine matters when reviewing proxies and although CCLIM may vote in accordance with the recommendations of management on routine matters, each proxy issue is considered separately and voted in accordance with the best interests of the Fund. Should a conflict of interest arise, CCLIM's compliance officer will be involved with the proxy vote to ensure proxies are voted in a Fund's best interest.

Global Fund

Baillie Gifford has adopted the Principles of Corporate Governance (the “**Guidelines**”) developed by the Organisation for Economic Co-operation and Development (OECD), which cover six areas: the basis for an effective corporate governance framework, the rights of shareholders, the equitable treatment of shareholders, the role of stakeholders, disclosure and transparency and the responsibilities of the board. Its Corporate Governance Team develops and administers these Guidelines. The Corporate Governance and SRI Manager reports to the Chief Investment Officer. In evaluating each proxy for both routine and non-routine matters, the Corporate Governance Team follows the Guidelines. It considers third party analysis, Baillie Gifford's own research and discussions with company management. If a proxy involves a non-routine matter, the Corporate Governance Team will consult with the appropriate investment team regarding the proposed vote. If a vote is cast contrary to the Guidelines, the reasons for the vote are documented. The Corporate Governance and SRI Manager is responsible for monitoring possible material conflicts of interest with respect to proxy voting. For proxy votes that involve a potential conflict of interest that are inconsistent with (or not covered by) the Guidelines but that are consistent with management's recommendation, the Management Committee of Baillie Gifford, comprised of five senior Baillie Gifford partners, will review the voting rationale, consider whether business relationships between Baillie Gifford and the company have influenced the proposed inconsistent vote and decide the course of action to be taken in the best interest of the Fund.

Global Dividend Fund and Global Balanced Fund

CI follows its Proxy Voting and Policy and Guidelines when voting proxies. The guidelines are not strict rules that must be obeyed in all cases, and proxies may be voted contrary to the vote indicated by the guidelines if the CI deems such a vote in the best interests of the applicable investment fund. CI will vote all securities based upon the guiding principle of optimizing the economic value to the Fund's securityholders, and ultimately all votes are cast on a case-by-case basis, taking into consideration the contractual obligations under the advisory agreement or comparable document, and all other relevant facts and circumstances at the time of the vote.

International Core Equity Pool

Thornburg evaluates proxy voting matters on a case-by-case basis, seeking to enhance the value of a security or reduce the potential for a decline in the security's value. It may abstain from voting or decline to vote in those cases where there appears to be no relationship between the issue and the enhancement or preservation of an investment's value. Thornburg has appointed a Proxy Voting Coordinator to discharge various functions relating to its proxy voting policy. In general, the portfolio manager responsible for the Fund is responsible for the decision to vote (or not vote) the Fund's proxies. The President of Thornburg may also exercise this authority or the portfolio manager or President may delegate this responsibility to other individuals. In exercising voting authority, Thornburg considers voting recommendations and other information and analysis from service providers engaged by it. Where the portfolio manager determines that a proxy vote involves a conflict of interest and the vote relates to an uncontested routine matter, Thornburg shall vote the proxy in accordance with the recommendation of any proxy voting service engaged by it. If no recommendation is available or if the vote involves a non-routine matter, Thornburg shall refer the vote to the Fund for voting direction or consent to vote in accordance with Thornburg's recommendation.

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.

Policies on the Use of Derivatives

All of the Funds may use derivatives as described in the applicable 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 derivatives transactions with counterparties that are 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 applicable 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 sub-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 Distributor

The unissued Series A, Series F, Premium Series and Advisor Series units offered by the applicable 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 Funds, as well as decisions regarding the execution of portfolio transactions of a 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 each of the portfolio sub-advisors 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 ("research goods and services") and order execution goods and services ("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 (“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.

For those Funds for which no portfolio sub-advisor has been appointed, 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 dealers 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 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.

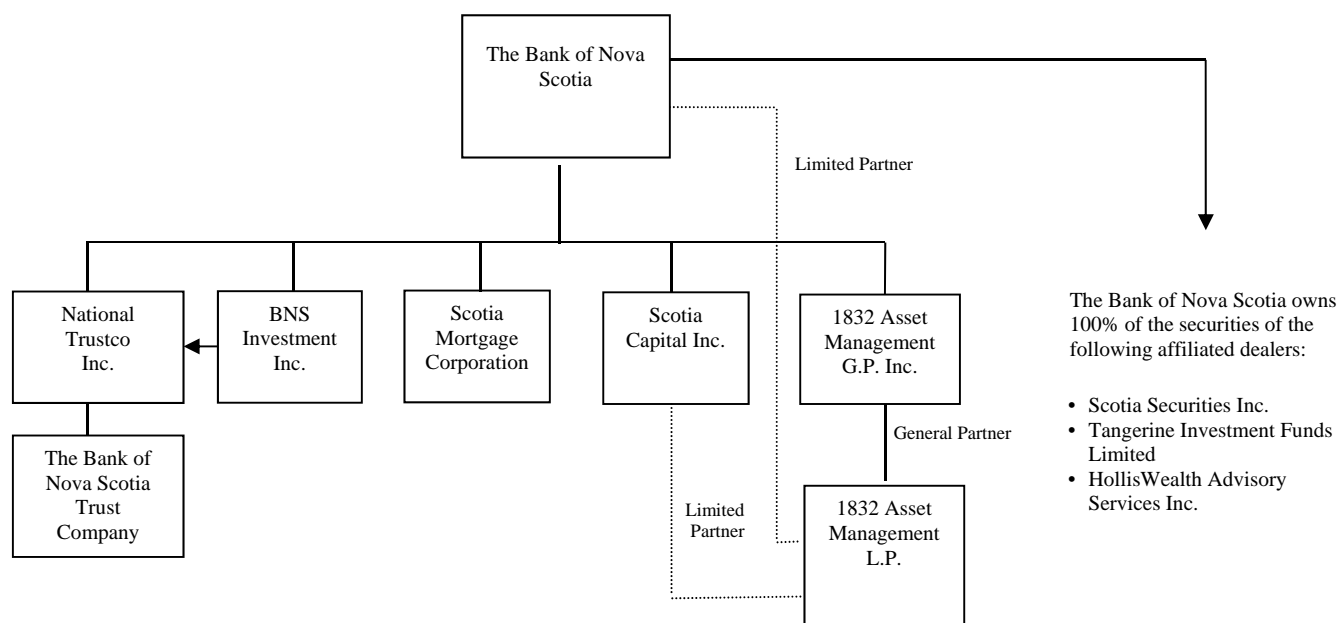
The Promoter

The Manager is the promoter of the Funds. The Manager received, and will receive, remuneration from, and in respect of, the 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 October 17, 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 October 17, 2014, the principal holders of securities of each series of units of the Funds were as follows:

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
Individual A	Scotia Diversified	Series F units	beneficial	11,767	12.3%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
	Monthly Income Fund				
Individual B	Scotia Diversified Monthly Income Fund	Series F units	beneficial	20,533	21.5%
Individual C	Scotia Selected Balanced Growth Portfolio	Series F units	beneficial	1,790	100.0%
Individual D	Scotia Selected Growth Portfolio	Series F units	beneficial	2,349	19.8%
Individual E	Scotia Selected Growth Portfolio	Series F units	beneficial	2,333	19.6%
Individual F	Scotia Selected Growth Portfolio	Series F units	beneficial	4,364	36.7%
Individual G	Scotia Selected Growth Portfolio	Series F units	beneficial	1,756	14.8%
Individual H	Scotia Selected Maximum Growth Portfolio	Series F units	beneficial	32	100.0%
Individual I	Scotia Partners Balanced Income Portfolio	Series F units	beneficial	269	20.2%
Individual J	Scotia Partners Balanced Income Portfolio	Series F units	beneficial	1,046	78.5%
Individual K	Scotia Partners Balanced Growth Portfolio	Series F units	beneficial	4,956	34.7%
Individual L	Scotia Partners Balanced Growth Portfolio	Series F units	beneficial	1,658	11.6%
Individual M	Scotia Partners Balanced Growth Portfolio	Series F units	beneficial	2,918	20.4%
Individual N	Scotia Partners Maximum Growth Portfolio	Series F units	beneficial	3,494	18.5%
Individual O	Scotia Partners Maximum Growth	Series F units	beneficial	9,440	49.9%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
	Portfolio				
Individual P	Scotia Canadian Blue Chip Fund	Series F units	beneficial	864	100.0%
Individual Q	Scotia CanAm Index Fund	Series F units	beneficial	1,892	91.2%
Individual R	Scotia U.S.\$ Bond Fund	Series F units	beneficial	31,815	57.3%
Individual S	Scotia Mortgage Income Fund	Series F units	beneficial	8,067	21.1%
Individual T	Scotia Resource Fund	Series F units	beneficial	255	12.5%
Individual U	Scotia Resource Fund	Series F units	beneficial	606	29.7%
Individual V	Scotia Resource Fund	Series F units	beneficial	553	27.1%
Individual W	Scotia Resource Fund	Series F units	beneficial	369	18.0%
Individual X	Scotia Resource Fund	Series F units	beneficial	261	12.8%
Individual Y	Scotia Balanced Opportunities Fund	Series F units	beneficial	2,784	77.1%
Individual Z	Scotia Balanced Opportunities Fund	Series F units	beneficial	536	14.8%
Individual AA	Scotia Canadian Growth Fund	Series F units	beneficial	1,243	42.4%
Individual AB	Scotia Canadian Growth Fund	Series F units	beneficial	798	27.2%
Individual AC	Scotia Global Growth Fund	Series F units	beneficial	27	13.9%
Individual AD	Scotia Global Growth Fund	Series F units	beneficial	20	10.4%
Individual AE	Scotia Global Growth Fund	Series F units	beneficial	148	75.7%
Individual AF	Scotia European Fund	Series F units	beneficial	109	100.0%
Individual AG	Scotia Canadian Income Fund	Series F units	beneficial	5,524	29.2%
Individual AH	Scotia Canadian	Series F units	beneficial	5,524	29.2%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
	Income Fund				
Individual AI	Scotia Canadian Income Fund	Series F units	beneficial	2,681	14.2%
Individual AJ	Scotia Canadian Balanced Fund	Series F units	beneficial	949	20.7%
Individual AK	Scotia Canadian Balanced Fund	Series F units	beneficial	550	12.0%
Individual AL	Scotia Canadian Balanced Fund	Series F units	beneficial	2,388	52.0%
Individual AM	Scotia Canadian Balanced Fund	Series F units	beneficial	642	14.0%
Individual AN	Scotia Canadian Index Fund	Series F units	beneficial	1,152	11.8%
Dr. Stuart Kreisman Inc.	Scotia Canadian Index Fund	Series F units	beneficial	7,632	78.1%
Individual AO	Scotia U.S. Index Fund	Series F units	beneficial	979	100.0%
Individual AP	Scotia Canadian Bond Index Fund	Series F units	beneficial	377	100.0%
Individual AQ	Scotia Global Opportunities Fund	Series F units	beneficial	225	100.0%
Individual AR	Scotia Nasdaq Index Fund	Series F units	beneficial	188	56.6%
Individual AS	Scotia Nasdaq Index Fund	Series F units	beneficial	144	43.4%
Scotia INNOVA Balanced Growth Portfolio	Scotia Private U.S. Dividend Pool	Series I units	beneficial	3,159,900	36.0%
Scotia INNOVA Balanced Income Portfolio	Scotia Private U.S. Dividend Pool	Series I units	beneficial	1,973,448	22.5%
Scotia INNOVA Income Portfolio	Scotia Private U.S. Dividend Pool	Series I units	beneficial	1,585,213	18.1%
Scotia Private U.S. Dividend Class	Scotia Private U.S. Dividend Pool	Series I units	beneficial	2,059,896	23.5%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
Scotia INNOVA Balanced Growth Portfolio	Scotia Floating Rate Income Fund	Series I units	beneficial	10,320,864	18.8%
Scotia INNOVA Balanced Income Portfolio	Scotia Floating Rate Income Fund	Series I units	beneficial	16,109,984	29.4%
Scotia INNOVA Income Portfolio	Scotia Floating Rate Income Fund	Series I units	beneficial	14,581,441	26.6%
Scotia INNOVA Balanced Income Portfolio Class	Scotia Floating Rate Income Fund	Series I units	beneficial	5,806,885	10.6%
Scotia Conservative Income Fund	Scotia Short Term Bond Fund	Series I units	beneficial	144,995	100.0%
Scotia Selected Balanced Income Portfolio	Scotia Global Dividend Fund	Series I units	beneficial	3,302,459	19.0%
Scotia Selected Balanced Growth Portfolio	Scotia Global Dividend Fund	Series I units	beneficial	6,519,512	37.5%
Scotia Selected Growth Portfolio	Scotia Global Dividend Fund	Series I units	beneficial	5,161,043	29.7%
Scotia Selected Balanced Income Portfolio	Scotia Bond Fund	Series I units	beneficial	6,883,063	56.4%
Scotia Selected Balanced Growth Portfolio	Scotia Bond Fund	Series I units	beneficial	5,318,701	43.6%
Scotia Private U.S. Equity Class	Scotia Private Us Equity Pool	Series I units	beneficial	502,684	100.0%
Scotia INNOVA Balanced Growth Portfolio	Scotia Private Canadian Equity Pool	Series I units	beneficial	12,419,874	30.6%
Scotia INNOVA Growth Portfolio	Scotia Private Canadian Equity Pool	Series I units	beneficial	7,077,077	17.4%
Scotia INNOVA Balanced Income Portfolio	Scotia Private Canadian Equity Pool	Series I units	beneficial	8,149,080	20.1%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
Scotia INNOVA Balanced Income Portfolio	Scotia Private Short-Mid Government Bond Pool	Series I units	beneficial	14,186,363	32.2%
Scotia INNOVA Income Portfolio	Scotia Private Short-Mid Government Bond Pool	Series I units	beneficial	17,257,832	39.2%
Toronto-Dominion Bank, The	Scotia Private Short-Mid Government Bond Pool	Series I units	beneficial	9,216,180	20.9%
Scotia INNOVA Income Portfolio	Scotia Private Canadian Corporate Bond Pool	Series I units	beneficial	20,721,135	11.8%
Scotia Partners Balanced Growth Portfolio	Scotia Private Canadian Corporate Bond Pool	Series I units	beneficial	20,922,002	12.0%
Scotia Partners Growth Portfolio	Scotia Private Canadian Corporate Bond Pool	Series I units	beneficial	19,149,600	10.9%
Scotia Diversified Monthly Income Fund	Scotia Private Canadian Corporate Bond Pool	Series I units	beneficial	46,681,758	26.7%
Scotia Canadian Equity Blend Class	Scotia Canadian Blue Chip Fund	Series I units	beneficial	8,071	100.0%
Scotia Short Term Yield Class	Scotia Money Market Fund	Series I units	beneficial	15,346	100.0%
Scotia Conservative Income Fund	Scotia Mortgage Income Fund	Series I units	beneficial	113,078	100.0%
Scotia Selected Growth Portfolio	Scotia Canadian Growth Fund	Series I units	beneficial	404,849	71.0%
Scotia Selected Maximum Growth Portfolio	Scotia Canadian Growth Fund	Series I units	beneficial	165,628	29.0%
Scotia Selected Balanced Income Portfolio	Scotia U.S. Dividend Fund	Series I units	beneficial	1,380,273	14.3%
Scotia Selected Balanced Growth Portfolio	Scotia U.S. Dividend Fund	Series I units	beneficial	3,708,007	38.4%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
Scotia Selected Growth Portfolio	Scotia U.S. Dividend Fund	Series I units	beneficial	3,571,882	37.0%
Scotia Selected Maximum Growth Portfolio	Scotia U.S. Dividend Fund	Series I units	beneficial	1,006,152	10.4%
Scotia Selected Balanced Growth Portfolio	Scotia Global Growth Fund	Series I units	beneficial	1,770,142	19.0%
Scotia Selected Growth Portfolio	Scotia Global Growth Fund	Series I units	beneficial	1,626,979	17.4%
Scotia Partners Balanced Growth Portfolio	Scotia Global Growth Fund	Series I units	beneficial	2,153,481	23.1%
Scotia Partners Growth Portfolio	Scotia Global Growth Fund	Series I units	beneficial	1,951,253	20.9%
Scotia INNOVA Balanced Growth Portfolio	Scotia Canadian Income Fund	Series I units	beneficial	32,848,836	11.2%
Scotia INNOVA Balanced Income Portfolio	Scotia Canadian Income Fund	Series I units	beneficial	30,083,074	10.2%
Scotia INNOVA Income Portfolio	Scotia Canadian Income Fund	Series I units	beneficial	30,350,285	10.3%
Scotia Canadian Balanced Fund	Scotia Canadian Income Fund	Series I units	beneficial	56,649,292	19.3%
Scotia Diversified Monthly Income Fund	Scotia Canadian Income Fund	Series I units	beneficial	39,113,760	13.3%
Scotia INNOVA Balanced Growth Portfolio	Scotia Canadian Dividend Fund	Series I units	beneficial	5,770,958	13.1%
Scotia Partners Balanced Growth Portfolio	Scotia Canadian Dividend Fund	Series I units	beneficial	5,611,684	12.8%
Scotia Partners Growth Portfolio	Scotia Canadian Dividend Fund	Series I units	beneficial	6,289,428	14.3%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
Scotia Selected Balanced Growth Portfolio	Scotia Global Opportunities Fund	Series I units	beneficial	3,158,282	37.5%
Scotia Selected Growth Portfolio	Scotia Global Opportunities Fund	Series I units	beneficial	3,668,929	43.6%
Scotia Selected Maximum Growth Portfolio	Scotia Global Opportunities Fund	Series I units	beneficial	1,590,004	18.9%
Scotia U.S. Equity Blend Class	Scotia U.S. Opportunities Fund	Series I units	beneficial	17,272	100.0%
Scotia Selected Balanced Growth Portfolio	Scotia International Value Fund	Series I units	beneficial	2,639,553	25.1%
Scotia Selected Growth Portfolio	Scotia International Value Fund	Series I units	beneficial	5,710,156	54.2%
Scotia Selected Maximum Growth Portfolio	Scotia International Value Fund	Series I units	beneficial	2,184,903	20.7%
Scotia Selected Balanced Growth Portfolio	Scotia Global Small Cap Fund	Series I units	beneficial	2,261,585	50.4%
Scotia Selected Growth Portfolio	Scotia Global Small Cap Fund	Series I units	beneficial	1,707,192	38.1%
Scotia Selected Maximum Growth Portfolio	Scotia Global Small Cap Fund	Series I units	beneficial	515,453	11.5%
Individual AT	Scotia Selected Balanced Income Portfolio	Advisor Series units	beneficial	6,931	10.5%
Individual AU	Scotia Selected Balanced Growth Portfolio	Advisor Series units	beneficial	2,699	31.5%
Individual AV	Scotia Selected Balanced Growth Portfolio	Advisor Series units	beneficial	1,439	16.8%
Individual AW	Scotia Selected Balanced Growth Portfolio	Advisor Series units	beneficial	2,250	26.3%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
1295540 Ontario Inc.	Scotia Global Growth Fund	Advisor Series units	beneficial	2,244	16.2%
Individual AX	Scotia Global Opportunities Fund	Advisor Series units	beneficial	2,666	10.4%
Individual AY	Scotia Selected Balanced Growth Portfolio	Advisor Series units	beneficial	1,736	20.3%
Individual AZ	Scotia Selected Growth Portfolio	Advisor Series units	beneficial	1,061	47.4%
Individual BA	Scotia Selected Growth Portfolio	Advisor Series units	beneficial	1,177	52.6%
Individual BB	Scotia Balanced Opportunities Fund	Advisor Series units	beneficial	26,503	20.6%
Individual BC	Scotia Balanced Opportunities Fund	Advisor Series units	beneficial	15,355	11.9%
Individual BD	Scotia Canadian Growth Fund	Advisor Series units	beneficial	1,177	26.0%
Individual BE	Scotia Canadian Income Fund	Advisor Series units	beneficial	58,568	11.6%
Individual BF	Scotia Global Opportunities Fund	Advisor Series units	beneficial	3,375	13.1%
Individual BG	Scotia Selected Balanced Income Portfolio	Advisor Series units	beneficial	56,137	84.9%
Individual BH	Scotia Canadian Growth Fund	Advisor Series units	beneficial	853	18.8%
Individual BI	Scotia Canadian Growth Fund	Advisor Series units	beneficial	595	13.1%
Individual BJ	Scotia Canadian Growth Fund	Advisor Series units	beneficial	612	13.5%
Individual BK	Scotia Canadian Growth Fund	Advisor Series units	beneficial	455	10.0%
Individual BL	Scotia Global Growth Fund	Advisor Series units	beneficial	1,556	11.3%
Individual BM	Scotia Global Growth	Advisor Series	beneficial	1,394	10.1%

Name and address of holder	Issuer	Series of holdings	Type of Ownership	Number of Securities	Percentage of Series
	Fund	units			
Individual BN	Scotia Global Growth Fund	Advisor Series units	beneficial	1,497	10.8%
Davrin Drugs Ltd.	Scotia Global Opportunities Fund	Advisor Series units	beneficial	3,159	12.3%
Individual BO	Scotia International Value Fund	Advisor Series units	beneficial	790	63.8%
Individual BP	Scotia International Value Fund	Advisor Series units	beneficial	449	36.2%
Winners Merchants International L.P.	Scotia Money Market Fund	Manager Series units	beneficial	12,500,000	10.7%

To protect the privacy of individual investors, we have omitted the name of the individual investor. This information is available on request by contacting us at the telephone number on the back cover of this annual information form.

As at October 17, 2014, the directors and officers of the General Partner and the senior officers of the Manager, in aggregate, did not beneficially own more than 10%, directly or indirectly, of any securities of any series of a Fund. As at October 17, 2014, the directors and officers of the General Partner and the 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 October 17, 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 October 17, 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.

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.

The T-Bill Fund was created pursuant to a declaration of trust dated October 3, 1991, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the T Bill-Fund was further restated by a master declaration of trust dated as of February 14, 2005, as amended and restated as of April 23, 2007 and further amended and restated as of December 11, 2009 (the “**Amended and Restated DOT**”).

The Premium T-Bill Fund was created pursuant to a declaration of trust dated July 10, 1992, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the Premium T-Bill Fund was further restated by the Amended and Restated DOT.

The Money Market Fund was created pursuant to a declaration of trust dated August 30, 1990, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999. The declaration of trust for the Money Market Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Series I units and on November 3, 2008 to establish Premium Series units of the Fund.

The U.S. Money Market Fund and European Fund were created pursuant to declarations of trust dated September 3, 1996, as amended and restated on October 1, 1999 and December 1, 1999 and, in the case of the European Fund, as amended and restated on November 30, 2000. The declaration of trust for each of the U.S. Money Market Fund and European Fund was further restated by the Amended and Restated DOT. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the names of these Funds. Schedule A to the Master Declaration of Trust was amended on September 14, 2007 to establish Series F units for the European Fund and on November 3, 2008 to establish Series I units.

The Mortgage Income Fund was created pursuant to a declaration of trust dated September 22, 1992, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999, on November 30, 2000 and on April 22, 2003. The declaration of trust for the Mortgage Income Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on October 28, 2005 to establish Scotia Private Client units (which have been renamed as Series M units) for the Fund. On January 15, 2014, Schedule “A” to the Master Declaration of Trust was amended to establish Series M units.

The Income Fund was created pursuant to a declaration of trust dated November, 1957, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000 and on

November 29, 2002. The declaration of trust for the Income Fund was further restated by a the Amended and Restated DOT.

The U.S. Bond Fund was created pursuant to a declaration of trust dated November 27, 1991, as amended by a supplemental deed of trust dated May 1, 1996 and as amended and restated on December 1, 1999 and on November 30, 2000. The declaration of trust for the U.S. Bond Fund was further restated by a the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on October 31, 2006 to establish Scotia Private Client units for the Fund (which have been renamed as Series M units) and on November 1, 2007 to change the name of the Fund.

The Global Bond Fund was created pursuant to a declaration of trust dated July 4, 1994, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000, on November 30, 2001 and on April 22, 2003. The declaration of trust for the Global Bond Fund was further restated by the Amended and Restated DOT. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Global Bond Fund.

The Pacific Rim Fund and Latin American Fund were created pursuant to declarations of trust dated August 18, 1994. The declaration of trust of the Pacific Rim Fund was amended and restated on October 1, 1999, on December 1, 1999 and on November 30, 2000. The declaration of trust of the Latin American Fund was amended and restated on December 1, 1999, on November 30, 2000 and on November 30, 2001. The declarations of trust for both Pacific Rim Fund and Latin American Fund were further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Series I units for these Funds and on November 1, 2007 to change the names of these Funds.

The Dividend Fund was created pursuant to a declaration of trust dated October 28, 1992, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000 and on April 22, 2003. The declaration of trust for the Dividend Fund was further restated by the Amended and Restated DOT.

The Canadian Blue Chip Fund and U.S. Blue Chip Fund were created pursuant to declarations of trust dated December 31, 1986, as amended by supplemental deeds of trust dated December 30, 1988, July 3, 1989 and May 1, 1996 and as amended and restated on December 1, 1999, on November 30, 2000 and, in the case of the U.S. Blue Chip Fund, as amended and restated on April 22, 2003. The declaration of trust for each of the Canadian Blue Chip Fund and U.S. Blue Chip Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended in respect of the Canadian Blue Chip Fund on June 10, 2005 to establish Series I units for this Fund and in respect of the U.S. Blue Chip Fund on November 1, 2007, to change the name of this Fund.

The Canadian Growth Fund, Global Fund and Balanced Opportunities Fund were created pursuant to a declaration of trust dated February 20, 1961, as amended April 18, 1989 and, in the case of the Balanced Opportunities Fund, as amended and restated by a declaration of trust dated October 1, 1995 and, in each case, as amended and restated on December 1, 1999 and November 30, 2000 and, in the case of the Global Fund, as amended on September 18, 2001 and, in the case of the Canadian Growth Fund, as amended and restated on April 22, 2003. The declaration of

trust for each of the Canadian Growth Fund, Global Fund and Balanced Opportunities Fund was restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended in respect of the Global Fund on June 10, 2005 to establish Series I units for this Fund and in respect of the Balanced Opportunities Fund on April 23, 2007 to change the name of this Fund.

The CanAm Index Fund was created pursuant to a declaration of trust dated July 9, 1993, as amended and restated on December 1, 1999 and on November 30, 2000. The declaration of trust for the CanAm Index Fund was further restated by the Amended and Restated DOT. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Fund.

The Resource Fund was created pursuant to a declaration of trust dated July 6, 1993, as amended and restated on December 1, 1999, on November 30, 2000 and on November 30, 2001. The declaration of trust for the Resource Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Series I units for this Fund.

The Canadian Index Fund and U.S. Index Fund were created pursuant to declarations of trust dated December 13, 1996, as amended and restated on October 24, 1998, on December 1, 1999 and on November 30, 2000. The declaration of trust for each of the Canadian Index Fund and U.S. Index Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on June 10, 2005 to establish Series I units for these Funds and on November 1, 2007 to change the names of these Funds.

The Small Cap Fund was created pursuant to a declaration of trust dated October 28, 1992, as amended December 17, 1992 and August, 1993, as amended and restated on October 24, 1998, on December 1, 1999, on November 30, 2000, on November 29, 2002 and on April 22, 2003. The declaration of trust for the Small Cap Fund was further restated by the Amended and Restated DOT.

The Balanced Fund was created pursuant to a declaration of trust dated May 7, 1990, as amended and restated on October 24, 1998, on December 1, 1999 and on November 30, 2000. The declaration of trust for the Balanced Fund was further restated by the Amended and Restated DOT.

The Canadian Bond Index Fund and International Index Fund were created pursuant to declarations of trust dated September 20, 1999, as amended and restated on November 30, 2000 and, in the case of International Index Fund, as amended and restated on April 22, 2003. The declaration of trust for each of the Canadian Bond Index Fund and International Index Fund was further restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended in respect of the Canadian Bond Index Fund on June 10, 2005 to establish Series I units for this Fund and in respect of the International Index Fund on November 1, 2007 to change the name of this Fund.

Each of the U.S. Opportunities Fund, International Value Fund, Global Opportunities Fund, Global Small Cap Fund and Nasdaq Index Fund was created pursuant to a declaration of

trust dated November 30, 2000. The declaration of trust for these Funds was restated by the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended in respect of the U.S. Opportunities Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund on December 14, 2006 to establish Series I units and on April 23, 2007 to change the names of these Funds.

Each of the Scotia Partners Portfolios was created pursuant to a declaration of trust dated November 29, 2002. The declaration of trust for each of the Scotia Partners Portfolios was restated by the Amended and Restated DOT. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the name of the Partners Growth Portfolio.

Each of the Scotia Selected Portfolios was created pursuant to a declaration of trust dated April 22, 2003. The declaration of trust for each of the Scotia Selected Portfolios was restated by the Amended and Restated DOT. On November 1, 2007, Schedule A to the Master Declaration of Trust was amended to change the names of the Scotia Selected Portfolios.

The Corporate Bond Pool was created pursuant to a declaration of trust dated October 30, 2003. The declaration of trust for Corporate Bond Pool was restated by the Amended and Restated DOT. On October 28, 2005, Schedule A to the Master Declaration of Trust was amended to change the name of the Corporate Bond Pool. Schedule A to the Master Declaration of Trust was amended on June 4, 2008 to establish Series I units.

Each of the Monthly Income Fund, Canadian Equity Pool, North American Dividend Pool, U.S. Equity Pool and International Core Equity Pool was created pursuant to an amendment dated June 10, 2005 to Schedule A to the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Series I units for the Canadian Equity Pool, U.S. Equity Pool and International Core Equity Pool.

Each of the Government Bond Pool and Advantaged Income Pool was created pursuant to an amendment dated September 30, 2007 to Schedule A to the Amended and Restated DOT. Schedule A to the Master Declaration of Trust was amended on November 3, 2008 to establish Series I units for the Government Bond Pool.

The Scotia Bond Fund was created pursuant to an amendment dated August 17, 2009 to Schedule A to the Amended and Restated DOT.

Each of the Short Term Bond Fund, Global Balanced Fund, Dividend Income Fund, Global Dividend Fund and Partners Income Portfolio were created pursuant to an amendment dated August 23, 2010 to the Amended and Restated DOT.

On October 1, 1999, the declaration of trust with respect to each of the Money Market Fund, Income Fund, Dividend Fund, Canadian Blue Chip Fund and U.S. Blue Chip Fund was amended to establish an additional series of units, on November 29, 2002 the declaration of trust of the Small Cap Fund was amended to establish an additional series of units, and on October 28, 2005 Schedule A to the Master Declaration of Trust with respect to the Mortgage Income Fund was amended to establish an additional series of units in each case called the Scotia Private Client units (which have been renamed “Series M ” units), which are intended for sale to clients of the Manager and Scotiitrust.

On December 1, 1999, the declarations of trust respecting each of the Funds that were created prior to September 20, 1999 were amended and restated to bring them into conformity with current administrative practices.

On November 30, 2000, the declaration of trust with respect to each of the Funds that was created prior to November 30, 2000 other than the T-Bill Fund, Premium T-Bill Fund, Money Market Fund and U.S. Money Market Fund was amended to establish an additional series of units, the Series F units, which are offered for sale to investors who have fee based accounts with authorized brokers and dealers, including ScotiaMcLeod, a division of Scotia Capital Inc., or as otherwise permitted by the Manager.

On November 29, 2002, the declaration of trust of the Income Fund was amended to establish an additional series of units of the Fund, the Series I units, which are available to eligible institutional investors and other qualified investors.

On April 22, 2003, the declaration of trust with respect to each of the Mortgage Income Fund, Global Bond Fund, Dividend Fund, Canadian Growth Fund, Small Cap Fund, U.S. Blue Chip Fund and International Index Fund was also amended to establish Series I units.

On April 23, 2007, the Master Declaration of Trust respecting each of the Funds that were created prior to this date was amended and restated to facilitate the establishment of the IRC for the Funds.

On January 25, 2008, Schedule A to the Master Declaration of Trust was amended to establish an additional series of units for each of the Money Market Fund, Income Fund, Monthly Income Fund, Balanced Opportunities Fund, Dividend Fund, Canadian Growth Fund, International Value Fund, Global Fund, Global Opportunities Fund and the Scotia Selected Portfolios, called the Advisor Series units, which are intended to be sold through authorized dealers and brokers, including ScotiaMcLeod.

On December 11, 2009, the Master Declaration of Trust and Schedule A thereto were amended to change the name of the “Scotia Private Client” series to “Manager Class” units and to remove the word “Cassels” from the names of certain of the Funds as described above.

On August 23, 2010, the Master Declaration of Trust and Schedule A thereto were amended to establish Global Balanced Fund, Dividend Income Fund, Global Dividend Fund, Short Term Bond Fund and Partners Income Portfolio.

On March 7, 2011, the Master Declaration of Trust and Schedule A thereto were amended to change the name of Scotia U.S. Growth Fund to Scotia U.S. Blue Chip Fund.

On July 6, 2011, the Master Declaration of Trust and Schedule A thereto were amended to establish Scotia Income Advantage Fund and Scotia U.S. \$ Balanced Fund.

On August 2, 2011, the Master Declaration of Trust and Schedule A thereto were amended by Declaration of the Trustee to reflect the change of the name of Scotia Canadian Corporate Bond Fund to Scotia Private Canadian Corporate Bond Pool, Scotia Short-Mid Government Bond Fund to Scotia Private Short-Mid Government Bond Pool, Scotia Canadian

Equity Fund to Scotia Private Canadian Equity Pool, Scotia North American Equity Fund to Scotia Private North American Equity Pool, Scotia U.S. Equity Fund to Scotia Private U.S. Equity Pool and Scotia International Equity Fund to Scotia Private International Core Equity Pool.

On November 24, 2011, pursuant to the Master Declaration of Trust and Schedule A thereto, Scotia Private Canadian Preferred Share Pool and Scotia Private U.S. Dividend Pool were created.

On March 12, 2012, Schedule A to the Master Declaration of Trust was amended to reflect the offering of Series I units of the Scotia Private Canadian Preferred Share Pool.

On May 11, 2012, Schedule “A” to the Master Declaration of Trust was amended to establish Series I units of Scotia Private U.S. Dividend Pool, the Series I units, which are available to eligible institutional investors and other qualified investors.

On November 19, 2012, the Master Declaration of Trust and Schedule A thereto were amended to establish Scotia Private Real Estate Income Pool, Scotia U.S. Dividend Fund and Scotia Selected Income Portfolio.

On July 11, 2013, Schedule A to the Master Declaration of Trust was amended to reflect the offering of Series M units of Scotia Income Advantage Fund.

On November 8, 2013, the Master Declaration of Trust and Schedule A thereto were amended to reflect the change of the name of Scotia Canadian Dividend Income Fund to Scotia Dividend Balanced Fund, Scotia Canadian Tactical Asset Allocation Fund to Scotia Balanced Opportunities Fund, Scotia Private North American Equity Pool to Scotia Private North American Dividend Pool, Scotia Selected Income & Modest Growth Portfolio to Scotia Selected Balanced Income Portfolio, Scotia Selected Balanced Income & Growth Portfolio to Scotia Selected Balanced Growth Portfolio, Scotia Selected Moderate Growth Portfolio to Scotia Selected Growth Portfolio, Scotia Selected Aggressive Growth Portfolio to Scotia Selected Maximum Growth Portfolio, Scotia Partners Diversified Income Portfolio to Scotia Partners Income Portfolio, Scotia Partners Income & Modest Growth Portfolio to Scotia Partners Balanced Income Portfolio, Scotia Partners Balanced Income & Growth Portfolio to Scotia Partners Balanced Growth Portfolio, Scotia Partners Moderate Growth Portfolio to Scotia Partners Growth Portfolio and Scotia Partners Aggressive Growth Portfolio to Scotia Partners Maximum Growth Portfolio.

On December 30, 2013, Schedule A to the Master Declaration of Trust was amended to reflect the offering of Series I units of Scotia Short Term Bond Fund.

On January 15, 2014, the Master Declaration of Trust and Schedule “A” thereto were amended to establish Scotia Conservative Income Fund and Scotia Floating Rate Income Fund.

On September 12, 2014, Schedule A to the Master Declaration of Trust was amended to reflect the offering of Series D units of Scotia Diversified Monthly Income Fund, Scotia Income Advantage Fund, Scotia Canadian Balanced Fund, Scotia Dividend Balanced Fund, Scotia Balanced Opportunities Fund, Scotia Global Balanced Fund, Scotia Canadian Bond Index Fund,

Scotia Canadian Index Fund, Scotia U.S. Index Fund, Scotia Nasdaq Index Fund and Scotia International Index Fund.

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 in respect of the Series A, Series F, Premium Series and Advisor Series units, with effect for each Fund as of the date the Fund was created. Provided that the terms of the Master Distributorship Agreement are satisfied, Scotia Securities Inc. may appoint participating dealers. 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 each 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 Funds pay 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 each of the Funds, 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.

Investment Advisory Agreements

Baillie Gifford is the portfolio advisor to the Global Fund pursuant to an investment advisory agreement dated as of October 1, 2014.

CI is the portfolio advisor to the Global Balanced Fund, the Global Dividend Fund and Scotia U.S. Dividend Fund pursuant to an investment advisory agreement dated as of August 27, 2010, as amended on November 19, 2012.

CCLIM is the portfolio advisor to the Balanced Opportunities Fund pursuant to an investment advisory agreement dated as of January 26, 2004.

Hermes is the portfolio advisor to the European Fund pursuant to an investment advisory agreement dated as of August 30, 2010.

State Street is the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund, International Index Fund, CanAm Index Fund and Nasdaq Index Fund pursuant to an amended and restated investment advisory agreement dated as of January 25, 2008.

SICB is the portfolio advisor to the Latin American Fund pursuant to an investment advisory agreement dated as of November 19, 2012.

Thornburg is the portfolio advisor to the International Core Equity Pool pursuant to an investment advisory agreement dated as of April 23, 2007.

Fund Mergers

Effective September 13, 2013, Scotia Private Advantaged Income Pool merged with Scotia Income Advantage Fund, Scotia Global Climate Change Fund merged with Scotia Global Growth Fund, Scotia Vision Conservative 2010 Portfolio and Scotia Vision Aggressive 2010 Portfolio merged with Scotia Selected Income Portfolio, Scotia Vision Conservative 2015 Portfolio, Scotia Vision Aggressive 2015 Portfolio and Scotia Vision Conservative 2020 Portfolio merged with Scotia Selected Balanced Income Portfolio, Scotia Vision Aggressive 2020 Portfolio and Scotia Vision Conservative 2030 Portfolio merged with Scotia Selected Balanced Growth Portfolio and Scotia Vision Aggressive 2030 Portfolio merged with Scotia Selected Growth Portfolio.

Effective April 20, 2007, Scotia Young Investors Fund merged with Global Fund and Capital U.S. Small Companies Fund merged with Global Small Cap Fund.

Effective December 9, 2005, Scotia Selected Conservative Growth RSP Fund merged with Selected Growth Portfolio, Scotia Selected Aggressive Growth RSP Fund merged with Selected Maximum Growth Portfolio, Capital U.S. Large Companies RSP Fund merged with U.S. Opportunities Fund, Capital International Large Companies RSP Fund merged with International Value Fund, Capital Global Discovery RSP Fund merged with Global Opportunities Fund and Capital Global Small Companies RSP Fund merged with Global Small Cap Fund.

Effective December 15, 2001, Scotia Canadian Short-Term Income Fund merged with Mortgage Income Fund, Scotia Global Income Fund merged with Global Bond Fund, Scotia Canadian Mid-Large Cap Fund merged with Canadian Blue Chip Fund and Scotia Emerging Markets Fund merged with Latin American Fund.

Effective October 24, 1998, Scotia Excelsior Money Market Fund merged with National Trust Money Market Fund, Scotia Excelsior Income Fund merged with National Trust Canadian Bond Fund, Scotia Excelsior Dividend Fund merged with National Trust Dividend Fund and Scotia Excelsior International Fund merged with National Trust International Equity Fund. Each of the Funds adopted a name utilizing the word “Scotia”. Effective October 24, 1998, Scotia

Securities Inc. replaced National Trust as the trustee and manager of each of the above National Trust funds.

In October 1995, Scotia Global Growth Fund merged with Montreal Trust Excelsior Fund International Section and was renamed Scotia Excelsior International Fund (now Global Fund, following the merger with National Trust International Equity Fund).

In October 1995, Montreal Trust Excelsior Fund - Money Market Section merged with Scotia Money Market Fund and was re-named Scotia Excelsior Money Market Fund (now Money Market Fund, following the merger with National Trust Money Market Fund).

In October 1995, Montreal Trust Excelsior Fund - Income Section merged with Scotia Income Fund and was re-named Scotia Excelsior Income Fund (now Income Fund, following the merger with National Trust Canadian Bond Fund).

Change of Investment Objectives

On November 30, 2001, Resource Fund changed its investment objectives following the receipt of unitholder approval on October 1, 2001. The current investment objectives of the Resource Fund are set out in the applicable simplified prospectus of the Fund.

On April 20, 2007, the U.S. Opportunities Fund, International Value Fund, Global Opportunities Fund and Global Small Cap Fund changed their investment objectives following the receipt of unitholder approval on April 5, 2007. The current investment objectives of these Funds are set out in the applicable simplified prospectus of the Funds.

Related Party Transactions

The Manager receives management fees and, where applicable, administration fees from the Funds as described above under *The Manager*.

SMC administers mortgages purchased by the Mortgage Income Fund pursuant to a mortgage sales and servicing agreement between the Mortgage Income Fund and SMC dated September 23, 1992. In consideration of the mortgage administration services provided by SMC, the Mortgage Income Fund pays SMC a monthly fee of 1/12 of 3/8 of 1% of the NAV of the mortgages held by that Fund.

Scotiabank may earn some income as a result of the purchase by the Money Market Fund or U.S. Money Market Fund of certificates of deposit or short-term paper issued or guaranteed by Scotiabank or the purchase of mortgages from Scotiabank or SMC. When mortgages are sold by SMC to the Mortgage Income Fund or when certificates of deposit or short-term paper issued or guaranteed by Scotiabank are purchased by the Money Market Fund or U.S. Money Market Fund, they will be sold at commercial rates available on an arm's length basis. Such purchases by the Money Market Fund or U.S. Money Market Fund will not be of a substantial quantity and will not result in a substantial benefit to Scotiabank.

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

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

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

Portfolio Advisor Changes

Prior to November 23, 2012, TCW Investment Management Company was the portfolio advisor to Scotia Latin American Fund.

Prior to March 16, 2011, the Manager was the portfolio advisor to CanAm Index Fund and Nasdaq Index Fund.

Prior to March 8, 2011, Pzena Investment Management, LLC was the portfolio advisor to International Value Fund.

Prior to March 8, 2011, TCW Investment Management Company was the portfolio advisor to Pacific Rim Fund.

Prior to March 8, 2011, GlobeFlex Capital L.P. was the portfolio advisor to Global Small Cap Fund.

Prior to March 8, 2011, Thornburg Investment Management, Inc. was the portfolio advisor to Global Opportunities Fund.

Prior to March 8, 2011, GCIC Ltd. was the portfolio advisor to U.S. Opportunities Fund.

Prior to December 31, 2010, Metropolitan West was the portfolio advisor to U.S. Opportunities Fund.

Prior to August 30, 2010, AllianceBernstein Canada, Inc. was the portfolio advisor to European Fund.

Prior to November 1, 2009, Scotia Capital Inc. was the portfolio advisor to the Scotia Selected Portfolios and Scotia Partners Portfolios.

Prior to November 1, 2009, Scotia Cassels Investment Counsel limited was the portfolio advisor to the T-Bill Fund, Premium T-Bill Fund, Money Market Fund, U.S. Money Market Fund, Mortgage Income Fund, Income Fund, U.S. Bond Fund, Global Bond Fund, Government Bond Pool, Corporate Bond Pool, Monthly Income Fund, Balanced Fund, Dividend Fund, Canadian Equity Pool, Canadian Blue Chip Fund, Canadian Growth Fund, Small Cap Fund, Resource Fund, North American Dividend Pool, U.S. Equity Pool, U.S. Blue Chip Fund, CanAm Index Fund, Nasdaq Index Fund and International Core Equity Pool.

Prior to April 23, 2007, Capital International Asset Management (Canada), Inc. was the portfolio advisor to the U.S. Opportunities Fund, International Value Fund, Global Opportunities

Fund and Global Small Cap Fund and prior to October 29, 2004, Scotia Capital Inc. was the portfolio advisor to these Funds.

Prior to February 19, 2007, Capital International Asset Management (Canada), Inc. was the portfolio advisor to the Global Fund.

Prior to June 27, 2005, Bank of Ireland Asset Management (U.S.) Limited was the portfolio advisor to the European Fund.

Prior to January 26, 2004, Montrusco Bolton Investments Inc. was the portfolio advisor to the Balanced Opportunities Fund and Global Fund.

Prior to March 17, 2003, Scotia Cassels Investment Counsel Limited was the portfolio advisor to the European Fund, Pacific Rim Fund and Latin American Fund.

Prior to March 1, 2002, Barclays Global Investors Canada Limited was the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund and International Index Fund.

Prior to September 18, 2001, Montrusco Bolton Investments Inc. was the portfolio advisor to the Canadian Growth Fund and Scotia Cassels Investment Counsel Limited was the portfolio advisor to the Canadian Bond Index Fund, Canadian Index Fund, U.S. Index Fund and International Index Fund.

Fund Manager Changes

Prior to October 24, 1998, Income Fund, Global Bond Fund, Balanced Fund, Dividend Fund, Canadian Index Fund, Small Cap Fund and U.S. Index Fund were managed by National Trust Company.

Prior to October 1, 1995, Balanced Opportunities Fund, Canadian Growth Fund and Global Fund were managed by Montreal Trust Company of Canada.

Auditor, Transfer Agent and Registrar and Securities Lending Agent

PricewaterhouseCoopers LLP, Chartered Professional 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 applicable securities laws.

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, repurchases or reverse repurchase transaction then The Bank of Nova Scotia will be appointed as the Fund's 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 AND PROMOTER OF THE FUNDS

November 12, 2014

Scotia T-Bill Fund	Scotia Private Canadian Equity Pool	Scotia Selected Income Portfolio
Scotia Premium T-Bill Fund	Scotia Canadian Growth Fund	Scotia Selected Balanced Income Portfolio
Scotia Money Market Fund	Scotia Canadian Small Cap Fund	Scotia Selected Balanced Growth Portfolio
Scotia U.S. \$ Money Market Fund	Scotia Resource Fund	Scotia Selected Growth Portfolio
Scotia Short Term Bond Fund	Scotia Private North American Dividend Pool	Scotia Selected Maximum Growth Portfolio
Scotia Income Advantage Fund	Scotia U.S. Dividend Fund	Scotia Partners Income Portfolio
Scotia Private Short-Mid Government Bond Pool	Scotia Private U.S. Dividend Pool	Scotia Partners Balanced Income Portfolio
Scotia Mortgage Income Fund	Scotia Private U.S. Equity Pool	Scotia Partners Balanced Growth Portfolio
Scotia Bond Fund	Scotia U.S. Blue Chip Fund	Scotia Partners Growth Portfolio
Scotia Canadian Income Fund	Scotia U.S. Opportunities Fund	Scotia Partners Maximum Growth
Scotia Private Canadian Corporate Bond Pool	Scotia Private International Core Equity Pool	(collectively, the “ Funds ”)
Scotia U.S. \$ Bond Fund	Scotia International Value Fund	
Scotia Global Bond Fund	Scotia European Fund	
Scotia Conservative Income Fund	Scotia Pacific Rim Fund	
Scotia Floating Rate Income Fund	Scotia Latin American Fund	
Scotia Diversified Monthly Income Fund	Scotia Global Dividend Fund	
Scotia Income Advantage Fund	Scotia Global Growth Fund	
Scotia Canadian Balanced Fund	Scotia Global Small Cap Fund	
Scotia Dividend Balanced Fund	Scotia Global Opportunities Fund	
Scotia Balanced Opportunities Fund	Scotia Private Real Estate Income Pool	
Scotia Global Balanced Fund	Scotia Canadian Bond Index Fund	
Scotia U.S. \$ Balanced Fund	Scotia Canadian Index Fund	
Scotia Private Canadian Preferred Share Pool	Scotia U.S. Index Fund	
Scotia Canadian Dividend Fund	Scotia CanAm Index Fund	
Scotia Canadian Blue Chip Fund	Scotia Nasdaq Index Fund	
	Scotia International Index Fund	

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”

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, Trustee and Promoter of the Funds

“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 Manager, Trustee and Promoter of the Funds

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, Trustee and Promoter of the Funds

“Neil C. Macdonald”

“Jim Morris”

Neil C. Macdonald
Director

Jim Morris
Director

CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR

(Series A, Series F, Premium Series and Advisor Series units)

November 12, 2014

Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia U.S. \$ Money Market Fund
Scotia Mortgage Income Fund
Scotia Bond Fund
Scotia Canadian Income Fund
Scotia U.S. \$ Bond Fund
Scotia Global Bond Fund
Scotia Conservative Income Fund
Scotia Diversified Monthly Income Fund
Scotia Income Advantage Fund
Scotia Canadian Balanced Fund
Scotia Dividend Balanced Fund
Scotia Balanced Opportunities Fund
Scotia Global Balanced Fund
Scotia U.S. \$ Balanced Fund
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund
Scotia U.S. Dividend Fund
Scotia U.S. Blue Chip Fund
Scotia U.S. Opportunities Fund
Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund

Scotia Global Dividend Fund
Scotia Global Growth Fund
Scotia Global Small Cap Fund
Scotia Global Opportunities Fund
Scotia Canadian Bond Index Fund
Scotia Canadian Index Fund
Scotia U.S. Index Fund
Scotia CanAm Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund
Scotia Selected Income Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Balanced Growth Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio
Scotia Partners Income Portfolio
Scotia Partners Balanced Income Portfolio
Scotia Partners Balanced Growth Portfolio
Scotia Partners Growth Portfolio
Scotia Partners Maximum Growth Portfolio

(collectively, the “**Funds**”)

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 F,
Premium Series and Advisor Series units of the
Funds

By: “*Stephen Morson*”

Stephen Morson
Director

ScotiaFunds®

Cash Equivalent Funds

Scotia T-Bill Fund (Series A units)
Scotia Premium T-Bill Fund (Series A units)
Scotia Money Market Fund (Series A, Series I, Premium Series, Series M and Advisor Series units)
Scotia U.S. \$ Money Market Fund (Series A units)

Income Funds

Scotia Short Term Bond Fund (Series M units)
Scotia Private Short-Mid Government Bond Pool (Series I and Series M units)
Scotia Mortgage Income Fund (Series A, Series F, Series I and Series M units)
Scotia Bond Fund (Series A and Series I units)
Scotia Canadian Income Fund (Series A, Series F, Series I, Series M and Advisor Series units)
Scotia Private Canadian Corporate Bond Pool (Series I and Series M units)
Scotia U.S. \$ Bond Fund (Series A and Series F units)
Scotia Global Bond Fund (Series A, Series F and Series I units)
Scotia Conservative Income Fund (Series A units)
Scotia Floating Rate Income Fund (Series I and Series M units)

Balanced Funds

Scotia Diversified Monthly Income Fund (Series A, Series D, Series F and Advisor Series units)
Scotia Income Advantage Fund (Series A, Series D and M units)
Scotia Canadian Balanced Fund (Series A, Series D and Series F units)
Scotia Dividend Balanced Fund (Series A, Series D and Series I units)
Scotia Balanced Opportunities Fund (Series A, Series D, Series F and Advisor Series units)
Scotia Global Balanced Fund (Series A, Series D and Series I units)
Scotia U.S. \$ Balanced Fund (Series A units)

Equity Funds

Canadian Equity Funds

Scotia Private Canadian Preferred Share Pool (Series I and Series M units)
Scotia Canadian Dividend Fund (Series A, Series F, Series I, Series M and Advisor Series units)
Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)
Scotia Private Canadian Equity Pool (Series I and Series M units)
Scotia Canadian Growth Fund (Series A, Series F, Series I and Advisor Series units)
Scotia Canadian Small Cap Fund (Series A, Series F, Series I and Series M units)
Scotia Resource Fund (Series A, Series F and Series I units)
Scotia Private North American Dividend Pool (Series M units)

U.S. Equity Funds

Scotia U.S. Dividend Fund (Series A and Series I units)
Scotia Private U.S. Dividend Pool (Series I and Series M units)
Scotia Private U.S. Equity Pool (Series I and Series M units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)

International Equity Funds

Scotia Private International Core Equity Pool (Series I and Series M units)
Scotia International Value Fund (Series A, Series F, Series I and Advisor Series units)
Scotia European Fund (Series A, Series F and Series I units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)
Scotia Latin American Fund (Series A, Series F and Series I units)

Global Equity Funds

Scotia Global Dividend Fund (Series A and Series I units)
Scotia Global Growth Fund (Series A, Series F, Series I and Advisor Series units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)
Scotia Global Opportunities Fund (Series A, Series F, Series I and Advisor Series units)

Index Funds

Scotia Canadian Bond Index Fund (Series A, Series D, Series F and Series I units)
Scotia Canadian Index Fund (Series A, Series D, Series F and Series I units)
Scotia U.S. Index Fund (Series A, Series D, Series F and Series I units)
Scotia CanAm Index Fund (Series A and Series F units)
Scotia Nasdaq Index Fund (Series A, Series D and Series F units)
Scotia International Index Fund (Series A, Series D, Series F and Series I units)

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income Portfolio (Series A units)
Scotia Selected Balanced Income Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Balanced Growth Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Growth Portfolio (Series A, Series F and Advisor Series units)
Scotia Selected Maximum Growth Portfolio (Series A, Series F and Advisor Series units)

Scotia Partners Portfolios®

Scotia Partners Income Portfolio (Series A units)
Scotia Partners Balanced Income Portfolio (Series A and Series F units)
Scotia Partners Balanced Growth Portfolio (Series A and Series F units)
Scotia Partners Growth Portfolio (Series A and Series F units)
Scotia Partners Maximum Growth Portfolio (Series A and Series F units)

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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.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sedar.com.

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