

AMENDMENT NO. 2

**Dated September 2, 2015
to the Simplified Prospectus dated November 12, 2014,
as amended by Amendment No. 1 dated July 3, 2015 of**

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

(the “**Fund**”)

This Amendment No. 2 to the Simplified Prospectus dated November 12, 2014 as amended by Amendment No.1 dated July 3, 2015 (the “**Simplified Prospectus**”), relating to the offering of the Fund, provides certain additional information relating to the Fund and the Simplified Prospectus should be read subject to this information. All references to page numbers in the Simplified Prospectus are to the version of the Simplified Prospectus filed with the Canadian securities regulatory authorities on SEDAR on November 14, 2014. All capitalized terms used herein have the meanings as ascribed to them in the Simplified Prospectus, unless otherwise specifically defined in this Amendment No. 2.

The amendments reflected in this Amendment No. 2 relate to (i) the change in the investment objectives of the Fund and (ii) a change in the investment strategies of the Fund.

INVESTMENT OBJECTIVES CHANGE

Part B of Simplified Prospectus is amended as follows:

Effective September 4, 2015, on page 20, the first paragraph under the heading “Investment objectives” of the Fund is deleted in its entirety and replaced with the following:

“The fund’s objective is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and are issued by governments, corporations or supranational entities around the world.”

INVESTMENT STRATEGIES CHANGE

Part B of the Simplified Prospectus is amended as follows:

Effective September 4, 2015, on page 20, the fifth paragraph under the heading “Investment strategies” is deleted in its entirety and replaced with the following:

“The fund can invest up to 100% of its assets in foreign securities.”

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy securities of a mutual fund within two business days of receiving the simplified prospectus or Fund Facts, or to cancel your purchase within forty-eight hours of receiving confirmation of your order. Securities legislation in some provinces and territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights usually must be exercised within certain time limits. For more information, refer to the securities legislation of your province or territory, or consult your lawyer.