

AMENDMENT NO. 1

Dated January 6, 2016 to the Simplified Prospectus dated November 12, 2015 of

Scotia INNOVA Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Growth Portfolio (Series A and Series T units)
Scotia INNOVA Growth Portfolio (Series A units)
Scotia INNOVA Maximum Growth Portfolio (Series A units)

(each, a “**Portfolio**” and collectively, the “**Portfolios**”)

The simplified prospectus dated November 12, 2015 (the “**Simplified Prospectus**”) relating to the offering of the Portfolios is hereby amended as set out below. All defined terms have the meanings ascribed to them in the Simplified Prospectus unless specifically defined in this Amendment No. 1. All references to page numbers in the Simplified Prospectus are to the commercial copy of the Simplified Prospectus filed with the Canadian securities regulatory authorities on SEDAR on November 12, 2015.

The amendments reflected in this Amendment No. 1 relate to: (i) the new offering of Series T units by Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio and (ii) updates to the distribution policy of Scotia INNOVA Income Portfolio, Scotia INNOVA Balanced Income Portfolio and Scotia INNOVA Balanced Growth Portfolio.

New Offering of Series T Units

The Simplified Prospectus is amended as follows:

1. On the cover page, “and Series T”, is added after “Series A” for each of Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio to indicate that the Portfolios offer Series T units.
2. On page 1, under the heading “Fund specific information”,
 - a. the last sentence of the first paragraph in the left column is deleted in its entirety and replaced with the following:

“The Portfolios offer Series A and Series T units.”
 - b. the first sentence in the third paragraph in the left column is deleted in its entirety and replaced with the following:

“All of the Scotia INNOVA Portfolios offered for sale under this simplified prospectus offer Series A units and Series T units.”
3. On page 10, in the chart under the heading “Fund details” for Scotia INNOVA Growth Portfolio, the following is amended:
 - a. In the row “**Start date**”, “Series T units: February 1, 2016” is added as a new row under “Series A units: January 20, 2009”; and

- b. In the row “**Type of securities**”, “Series A units of a mutual fund trust” is deleted and replaced with the following: “Series A and Series T units of a mutual fund trust”.
4. On page 11, under the heading “Distribution policy”,
 - a. the first sentence of the first paragraph is deleted in its entirety and replaced with the following:

“For Series A units, the Portfolio will distribute, in each taxation year of the Portfolio, sufficient net income and net realized capital gains so that it will not have any liability for Canadian income tax under Part I of the *Tax Act*. Distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager.”
 - b. the following new paragraphs are added after the first paragraph:

“Investors holding Series T units will receive stable monthly distributions consisting of net income, net realized capital gains and/or a return of capital. Any net income and net realized capital gains in excess of the monthly distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager to ensure that the Portfolio will not have any liability for Canadian income tax under Part 1 of the Tax Act.

The monthly distribution amount will be based on a payout rate that is 5% of the initial net asset value of the Portfolio. The payout rate is expected to remain at approximately 5% of the average net asset value of Series T units of the Portfolio during the previous calendar year. The payout rate for Series T units of the Portfolio may be adjusted in the future, if we determine that conditions require an adjustment of distributions or that payment of a distribution would have a negative effect on the investors in the Portfolio. As a result, the dollar amount of your monthly distribution is not guaranteed and may change from time to time. Distributions by this Portfolio are not guaranteed to occur on a specific date.

Investors should not confuse the cash flow distribution with the Portfolio’s rate of return or yield.

The payout rate on Series T units of the Portfolio may be greater than the return on the Portfolio’s investments. A portion of the distribution for Series T units is expected to consist of a return of capital, which is not taxable. Please see *Income tax considerations for investors* for more details.”
5. On page 11, under the heading “Fund expenses indirectly borne by investors”, the following language is added in the right column immediately following the chart:

“No information is available for Series T units of the Portfolio as this series was not operational at the end of the last completed financial year.”
6. On page 12, in the chart under the heading “Fund details” for Scotia INNOVA Maximum Growth Portfolio, the following is amended:

- a. In the row “**Start date**”, “Series T units: February 1, 2016” is added as a new row under “Series A units: January 20, 2009”; and
 - b. In the row “**Type of securities**”, “Series A units of a mutual fund trust” is deleted and replaced with the following: “Series A and Series T units of a mutual fund trust”.
7. On page 13, under the heading “Distribution policy”,
 - a. the first sentence of the first paragraph is deleted in its entirety and replaced with the following:

“For Series A units, the Portfolio will distribute, in each taxation year of the Portfolio, sufficient net income and net realized capital gains so that it will not have any liability for Canadian income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager.”
 - b. the following new paragraphs are added after the first paragraph:

“Investors holding Series T units will receive stable monthly distributions consisting of net income, net realized capital gains and/or a return of capital. Any net income and net realized capital gains in excess of the monthly distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager to ensure that the Portfolio will not have any liability for Canadian income tax under Part I of the Tax Act.

The monthly distribution amount will be based on a payout rate that is 5% of the initial net asset value of the Portfolio. The payout rate is expected to remain at approximately 5% of the average net asset value of Series T units of the Portfolio during the previous calendar year. The payout rate for Series T units of the Portfolio may be adjusted in the future, if we determine that conditions require an adjustment of distributions or that payment of a distribution would have a negative effect on the investors in the Portfolio. As a result, the dollar amount of your monthly distribution is not guaranteed and may change from time to time. Distributions by this Portfolio are not guaranteed to occur on a specific date.

Investors should not confuse the cash flow distribution with the Portfolio’s rate of return or yield.

The payout rate on Series T units of the Portfolio may be greater than the return on the Portfolio’s investments. A portion of the distribution for Series T units is expected to consist of a return of capital, which is not taxable. Please see *Income tax considerations for investors* for more details.”
8. On page 13, under the heading “Fund expenses indirectly borne by investors”, the following language is added in the right column immediately following the chart:

“No information is available for Series T units of the Portfolio as this series was not operational at the end of the last completed financial year.”
9. On page 22, under the heading “About the Series A and Series T units” in the right column, the first two sentences are deleted in their entirety and replaced with the following:

“All of the Portfolios offered under this simplified prospectus offer Series A and Series T units.”

10. On page 27, in the chart under the heading “Fixed Administration Fees”, the following is added as the new last two rows under the “*Series T units*” sub-heading:

“Scotia INNOVA Growth Portfolio	0.03%
Scotia INNOVA Maximum Growth Portfolio	0.04%”

11. On the back page, “and Series T”, is added after “Series A” for each Portfolio to indicate that the Portfolios offer Series T units.

Updates to the Distribution Policy

1. On page 5, the first six paragraphs under the heading “Distribution policy” for Scotia INNOVA Income Portfolio are deleted in their entirety and replaced with the following:

“For Series A units, the Portfolio will distribute, in each taxation year of the Portfolio, sufficient net income and net realized capital gains so that it will not have any liability for Canadian income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager.

Investors holding Series T units will receive stable monthly distributions consisting of net income, net realized capital gains and/or a return of capital. Any net income and net realized capital gains in excess of the monthly distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager to ensure that the Portfolio will not have any liability for Canadian income tax under Part I of the Tax Act.

The monthly distribution amount will be based on a payout rate that is 3% of the initial net asset value of the Portfolio. The payout rate is expected to remain at approximately 3% of the average net asset value of Series T units of the Portfolio during the previous calendar year. The payout rate for Series T units of the Portfolio may be adjusted in the future, if we determine that conditions require an adjustment of distributions or that payment of a distribution would have a negative effect on the investors in the Portfolio. As a result, the dollar amount of your monthly distribution is not guaranteed and may change from time to time. Distributions by this Portfolio are not guaranteed to occur on a specific date.

Investors should not confuse the cash flow distribution with the Portfolio’s rate of return or yield.

The payout rate on Series T units of the Portfolio may be greater than the return on the Portfolio’s investments. A portion of the distribution for Series T units is expected to consist of a return of capital, which is not taxable. Please see Income tax considerations for investors for more details.”

2. On page 7, the first six paragraphs under the heading “Distribution policy” for Scotia INNOVA Balanced Income Portfolio are deleted in their entirety and replaced with the following:

“For Series A units, the Portfolio will distribute, in each taxation year of the Portfolio, sufficient net income and net realized capital gains so that it will not have any liability for Canadian income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager.

Investors holding Series T units will receive stable monthly distributions consisting of net income, net realized capital gains and/or a return of capital. Any net income and net realized capital gains in excess of the monthly distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager to ensure that the Portfolio will not have any liability for Canadian income tax under Part I of the Tax Act.

The monthly distribution amount will be based on a payout rate that is 4% of the initial net asset value of the Portfolio. The payout rate is expected to remain at approximately 4% of the average net asset value of Series T units of the Portfolio during the previous calendar year. The payout rate for Series T units of the Portfolio may be adjusted in the future, if we determine that conditions require an adjustment of distributions or that payment of a distribution would have a negative effect on the investors in the Portfolio. As a result, the dollar amount of your monthly distribution is not guaranteed and may change from time to time. Distributions by this Portfolio are not guaranteed to occur on a specific date.

Investors should not confuse the cash flow distribution with the Portfolio's rate of return or yield.

The payout rate on Series T units of the Portfolio may be greater than the return on the Portfolio's investments. A portion of the distribution for Series T units is expected to consist of a return of capital, which is not taxable. Please see Income tax considerations for investors for more details."

3. On page 9, the first six paragraphs under the heading "Distribution policy" for Scotia INNOVA Balanced Growth Portfolio are deleted in their entirety and replaced with the following:

"For Series A units, the Portfolio will distribute, in each taxation year of the Portfolio, sufficient net income and net realized capital gains so that it will not have any liability for Canadian income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager.

Investors holding Series T units will receive stable monthly distributions consisting of net income, net realized capital gains and/or a return of capital. Any net income and net realized capital gains in excess of the monthly distributions will be paid or payable by December 31 of each year or at such other times as may be determined by the Manager to ensure that the Portfolio will not have any liability for Canadian income tax under Part I of the Tax Act.

The monthly distribution amount will be based on a payout rate that is 5% of the initial net asset value of the Portfolio. The payout rate is expected to remain at approximately 5% of the average net asset value of Series T units of the Portfolio during the previous calendar year. The payout rate for Series T units of the Portfolio may be adjusted in the future, if we determine that conditions require an adjustment of distributions or that payment of a distribution would have a negative effect on the investors in the Portfolio. As a result, the dollar amount of your monthly distribution is not guaranteed and may change from time to time. Distributions by this Portfolio are not guaranteed to occur on a specific date.

Investors should not confuse the cash flow distribution with the Portfolio's rate of return or yield.

The payout rate on Series T units of the Portfolio may be greater than the return on the Portfolio's investments. A portion of the distribution for Series T units is expected to consist of a return of capital, which is not taxable. Please see Income tax considerations for investors for more details."

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.