ScotiaFunds®
Scotia Private Pools®
Pinnacle Portfolios
Simplified Prospectus

2016

November 14, 2016

Cash Equivalent Funds

Scotia Money Market Fund (Series A, Series I, Series K and Series M units)
Scotia Premium T-Bill Fund (Series A units)
Scotia Private Short Term Income Pool (Pinnacle Series and Series F units)
Scotia T-Bill Fund (Series A units)
Scotia U.S. $ Money Market Fund (Series A and Series M units)

Income Funds

Scotia Bond Fund (Series A, Series I and Series M units)
Scotia Canadian Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Conservative Income Fund (Series A units)
Scotia Floating Rate Income Fund (Series I, Series K and Series M units)
Scotia Global Bond Fund (Series A, Series F and Series I units)
Scotia Mortgage Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private American Core-Plus Bond Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Corporate Bond Pool (Series I, Series K and Series M units)
Scotia Private Canadian Preferred Share Pool (Series I, Series K and Series M units)
Scotia Private Global Credit Pool (Series I units)
Scotia Private High Yield Income Pool (Pinnacle Series, Series F, Series I, Series K and Series M units)
Scotia Private Income Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Short-Mid Government Bond Pool (Series I, Series K and Series M units)
Scotia Private Total Return Bond Pool (Series M units)
Scotia Short Term Bond Fund (Series I, Series K and Series M units)
Scotia U.S. $ Bond Fund (Series A and Series F units)

Balanced Funds

Scotia Balanced Opportunities Fund (Series A, Series D and Series F units)
Scotia Canadian Balanced Fund (Series A, Series D and Series F units)
Scotia Diversified Monthly Income Fund (Series A, Series D and Series F units)
Scotia Dividend Balanced Fund (Series A, Series D and Series I units)
Scotia Global Balanced Fund (Series A, Series D and Series I units)
Scotia Income Advantage Fund (Series A, Series D, Series K and Series M units)
Scotia Private Strategic Balanced Pool (Pinnacle Series and Series F units)
Scotia U.S. $ Balanced Fund (Series A units)

Equity Funds

Canadian and U.S. Equity Funds

Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)
Scotia Canadian Dividend Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Canadian Growth Fund (Series A, Series F and Series I units)
Scotia Canadian Small Cap Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private Canadian All Cap Equity Pool (Series I units)
Scotia Private Canadian Equity Pool (Series I, Series K and Series M units)
Scotia Private Canadian Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Mid Cap Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Small Cap Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private Canadian Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Fundamental Canadian Equity Pool (Series I units)
Scotia Private North American Dividend Pool (Series K and Series M units)
Scotia Private Real Estate Income Pool (Series I, Series K and Series M units)
Scotia Private U.S. Dividend Pool (Series I, Series K and Series M units)
Scotia Private U.S. Equity Pool (Series I, Series K and Series M units)
Scotia Private U.S. Large Cap Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private U.S. Mid Cap Growth Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private U.S. Mid Cap Value Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private U.S. Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Resource Fund (Series A, Series F and Series I units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)
Scotia U.S. Dividend Fund (Series A and Series I units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)

International Equity Funds

Scotia European Fund (Series A, Series F and Series I units)
Scotia International Value Fund (Series A, Series F and Series I units)
Scotia Latin American Fund (Series A, Series F and Series I units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)
Scotia Private Emerging Markets Pool (Pinnacle Series, Series I and Series M units)
Scotia Private International Core Equity Pool (Series I, Series K and Series M units)
Scotia Private International Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private International Small to Mid Cap Value Pool (Pinnacle Series, 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 and Series I units)
Scotia Global Opportunities Fund (Series A, Series F and Series I units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)
Scotia Private Global Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Global Low Volatility Equity Pool (Series M units)
Scotia Private Global Real Estate Pool (Pinnacle Series, Series F and Series I 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 International Index Fund (Series A, Series D, Series F and Series I units)
Scotia Nasdaq Index Fund (Series A, Series D and Series F units)
Scotia U.S. Index Fund (Series A, Series D, Series F and Series I units)

Specialty Fund

Scotia Private Options Income Pool (Series I, Series K and Series M units)

Portfolio Solutions

Scotia Selected® Portfolios

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

Scotia Partners Portfolios®

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

Scotia INNOVA Portfolios®

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

Scotia Aria™ Portfolios

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

Pinnacle Portfolios

Pinnacle Income Portfolio (Series A units)
Pinnacle Balanced Portfolio (Series A units)
Pinnacle Growth Portfolio (Series A units)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The funds and the units they offer under this simplified prospectus are not registered with the U.S. Securities and Exchange Commission. Units of the funds may be offered and sold in the United States only in reliance on exemptions from registration.

ScotiaFunds®

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Introduction

In this document, unless the context requires otherwise,

fund, funds, portfolio or *portfolios* means a mutual fund that is offered for sale under this simplified prospectus;

Manager, we, us, and *our* refer to 1832 Asset Management L.P.;

Pinnacle Portfolios refers to all of the mutual funds and series thereof offered under this simplified prospectus under the Pinnacle Portfolios brand;

Pinnacle Program means the Pinnacle Program® that investors may be permitted to participate in through ScotiaMcLeod® advisors;

Scotiabank includes The Bank of Nova Scotia and its affiliates, including The Bank of Nova Scotia Trust Company (Scotiatrust®), Scotia Securities Inc. and Scotia Capital Inc. (including HollisWealth®, ScotiaMcLeod and Scotia iTRADE®, each a division of Scotia Capital Inc.);

ScotiaFunds refers to the Scotia mutual funds offered under this simplified prospectus and all other Scotia mutual funds offered under separate simplified prospectuses under the ScotiaFunds, Scotia Private Pools and Pinnacle Portfolios brands;

Scotia Aria Portfolios refers to all of the mutual funds and series thereof offered under this simplified prospectus under the Scotia Aria Portfolios brand;

Scotia INNOVA Portfolios refers to all of the mutual funds and series thereof offered under this simplified prospectus under the Scotia INNOVA Portfolios brand;

Scotia Partners Portfolios refers to all of the mutual funds and series thereof offered under this simplified prospectus under the Scotia Partners Portfolios brand;

Scotia Private Pools refers to all of the following mutual funds and series thereof offered under this simplified prospectus:

- Scotia Private American Core-Plus Bond Pool;
- Scotia Private Canadian Growth Pool;
- Scotia Private Canadian Mid Cap Pool;
- Scotia Private Canadian Small Cap Pool;
- Scotia Private Canadian Value Pool;
- Scotia Private Emerging Markets Pool;
- Scotia Private Global Equity Pool;
- Scotia Private Global Real Estate Pool;
- Scotia Private High Yield Income Pool;
- Scotia Private Income Pool;
- Scotia Private International Equity Pool;
- Scotia Private International Small to Mid Cap Value Pool;
- Scotia Private Short Term Income Pool;
- Scotia Private Strategic Balanced Pool;
- Scotia Private U.S. Large Cap Growth Pool;
- Scotia Private U.S. Mid Cap Value Pool;
- Scotia Private U.S. Mid Cap Growth Pool; and
- Scotia Private U.S. Value Pool;

Scotia Selected Portfolios refers to all of the mutual funds and series thereof offered under this simplified prospectus under the Scotia Selected Portfolios Brand;

SIP means the ScotiaMcLeod Investment Portfolios, a managed account program that investors may be permitted to participate in through ScotiaMcLeod advisors;

Tax Act means the *Income Tax Act* (Canada); and

underlying fund refers to an investment fund (either a ScotiaFund or other investment fund) in which a fund invests.

This simplified prospectus contains selected important information to help you make an informed investment decision about the funds and to understand your rights as an investor. It is divided into two parts. The first part, from pages 1 to 221, contains specific information about each of the funds offered for sale under this simplified prospectus. The second part, from pages 222 to 258, contains general information that applies to all of the funds offered for sale under this simplified prospectus and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the funds.

Additional information about each fund is available in its most recently filed annual information form, its most recently filed Fund Facts, its most recently filed interim financial reports and annual financial statements and its most recently filed annual and interim management reports of fund performance. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed in it.

You can get a copy of the funds' most recently filed annual information form, its Fund Facts, financial statements and management reports of fund performance 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 asking your registered investment professional. You will also find these documents on our website at www.scotiafunds.com, www.scotiabank.com/scotiaprivatepools or www.scotiabank.com/pinnacleportfolios.

These documents and other information about the funds are also available at www.sedar.com.

Fund specific information

The funds offered under this simplified prospectus are part of the ScotiaFunds family of mutual funds. Each fund has been established as a mutual fund trust. Each fund is associated with an investment portfolio having specific investment objectives. Each unit of a series represents an equal, undivided interest in the portion of the fund's net assets attributable to that series. Expenses of each series are tracked separately and a separate unit price is calculated for each series. ScotiaFunds offers a number of series of units. The funds offer one or more of Series A, Series F, Series D, Series I, Series K, Series M, Series TL, Series T, Series TH, Pinnacle Series, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units.

The series have different management fees and/or distribution policies and are intended for different investors. Certain series are only available to investors who participate in particular investment programs. The required minimum investment for a series may differ for individual funds. You will find more information about the different series of units under *About the series of units*.

About the fund descriptions

On the following pages, you will find detailed descriptions of each of the funds to help you make your investment decisions. Here is what each section of the fund descriptions tells you:

Fund details

This section gives you some basic information about each fund, such as its start date and its eligibility for registered plans, including registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), life income funds ("LIFs"), locked-in retirement income funds ("LRIFs"), locked-in retirement savings plans ("LRSPs"), prescribed income funds ("PRIFs") and tax-free savings accounts ("TFSAs") (collectively, together with deferred profit sharing plans, "Registered Plans").

All of the funds offered under this simplified prospectus are, or are expected to be, qualified investments under the *Tax Act* for Registered Plans. In certain cases, we may restrict purchases of units of certain funds by certain Registered Plans.

What does the fund invest in?

This section tells you the fundamental investment objectives of each fund and the strategies each fund uses in trying to achieve those objectives. Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Scotia Private Pools portfolio advisor selection and monitoring

The Manager has retained the services of an independent investment consulting firm, NT Global Advisors, Inc. ("NTGA"), a wholly-owned subsidiary of Northern Trust Corporation, to assist in the selection and monitoring of portfolio advisors for the Scotia Private Pools. Based on consultation with and research on prospective portfolio advisors, NTGA evaluates and recommends a group of qualified portfolio advisors who, in the opinion of NTGA, are best able to carry out the investment objectives and strategies of the Scotia Private Pools. Portfolio advisors for the Scotia Private Pools are then chosen from this group by the Manager based on each portfolio advisor's specialized expertise, performance, consistency, investment philosophy or style, investment disciplines and quality of service. Each portfolio advisor is required to operate within the limits of the investment objectives, restrictions and any supplemental guidelines developed from time to time by the Manager.

On an ongoing basis, NTGA will monitor the performance of the portfolio advisors of the Scotia Private Pools and report to us.

About derivatives

Derivatives are investments that derive their value from the price of another investment or from anticipated movements in interest rates, currency exchange rates or market indexes. Derivatives are usually contracts with another party to buy or sell an asset at a later time and at a set price. Examples of derivatives are options, forward contracts, futures contracts and swaps.

- *Options* generally give holders the right, but not the obligation, to buy or sell an asset, such as a security or currency, at a set price and a set time. Option holders normally pay the other party a cash payment, called a premium, for agreeing to give them the option.

- *Forward contracts* are agreements to buy or sell an asset, such as a security or currency, at a set price and a set time. The parties have to complete the deal, or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes. Forward contracts are generally not traded on organized exchanges and are not subject to standardized terms and conditions.
- *Futures contracts*, like forward contracts, are agreements to buy or sell an asset, such as a security or currency, at a set price and a set time. The parties have to complete the deal, or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes. Futures contracts are normally traded on a registered futures exchange. The exchange usually specifies certain standardized terms and conditions.
- *Swaps* are agreements between two or more parties to exchange principal amounts or payments based on returns on different investments. Swaps are not traded on organized exchanges and are not subject to standardized terms and conditions.

A fund can use derivatives as long as it uses them in a way that is consistent with the fund's investment objectives and with Canadian securities regulations. All of the funds may use derivatives to hedge their investments against losses from changes in currency exchange rates, interest rates and stock market prices. Some of the funds may also use derivatives to gain exposure to financial markets or to invest indirectly in securities or other assets. This can be less expensive than buying securities or assets directly. 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.

When a fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

Investing in underlying funds

Some of the funds may, from time to time, invest some or all of their assets in underlying funds that are managed by us or one of our affiliates or associates, including other ScotiaFunds, or by third party investment managers. When deciding to invest in other underlying funds, the portfolio advisor may consider a variety of criteria, including management style, investment performance and consistency, risk attributes and the quality of the underlying fund's manager or portfolio advisor.

Exchange-traded funds

Some of the funds may invest in securities of exchange-traded funds ("ETFs"). Under securities legislation, a mutual fund is permitted to invest in securities of an ETF that are "index participation units" only if:

- no management fees or incentive fees are payable by the mutual fund that, to a reasonable person, would duplicate a fee payable by the ETF for the same service;
- no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF if the ETF is managed by the manager or an affiliate or associate of the manager of the mutual fund; and
- no sales fees or redemption fees, other than brokerage fees, are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund.

The proportions and types of ETFs held by a mutual fund will vary according to the risk and investment objectives of the fund. Please refer to *Investing in underlying funds* above for more information.

Gold Exchange-Traded Funds

Each fund, other than cash equivalent funds, has received the approval of the Canadian securities regulatory authorities to invest in exchange-traded funds that are traded on a stock exchange in Canada or the United States and that hold or seek to replicate the performance of gold, permitted gold certificates or specified derivatives, of which the underlying interest is gold or permitted gold certificates, on an unlevered basis ("Gold ETFs"), provided such investment is in accordance with the fundamental investment objectives of the fund and the fund's aggregate market value exposure to gold (whether direct or indirect, including through Gold ETFs) does not exceed 10% of the net asset value of the Fund, taken at market value at the time of the transaction.

Funds that engage in repurchase and reverse repurchase transactions

Some of the funds may enter into repurchase or reverse repurchase agreements to generate additional income from securities held in a fund's portfolio. When a mutual fund agrees to sell a security at one price and buy it back on a specified later date (usually at a lower price), it is entering into a repurchase transaction. When a mutual fund agrees to buy a security at one price and sell it back on a specified

later date (usually at a higher price), it is entering into a reverse repurchase transaction. For a description of the strategies the funds use to minimize the risks associated with these transactions, see the discussion under *Repurchase and reverse repurchase transaction risk*.

Funds that lend their securities

Some of the funds may enter into securities lending transactions to generate additional income from securities held in a fund's portfolio. A mutual fund may lend securities held in its portfolio to qualified borrowers who provide adequate collateral. For a description of the strategies the funds use to minimize the risks associated with these transactions, see the discussion under *Securities lending risk*.

Funds that engage in short selling

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

Short selling will be used by a fund only as a complement to the fund's current primary discipline of buying securities or commodities with the expectation that they will appreciate in market value. See *what does the fund invest in? – Investment strategies* in each fund's profile.

About REITs

A real estate investment trust ("REIT") is an entity that buys, manages and sells real estate assets. REITs allow participants to invest in a professionally managed portfolio of real estate properties. REITs qualify as pass-through entities, which are able to distribute the majority of income cash flows to investors without taxation at the corporate level (providing that certain conditions are met). As a pass-through entity, whose main function is to pass profits on to investors, a REIT's business activities are generally restricted to generation of property rental income. Another major advantage of a REIT is its liquidity (ease of liquidation of assets into cash), as compared to traditional private real estate ownership which can be difficult to liquidate. One reason for the liquid nature of a REIT is that its units are primarily traded on major exchanges, making it easier to buy and sell REIT assets/units than to buy and sell properties in private markets. See the discussion under *Real estate sector risk* and *Income trust risk*.

What are the risks of investing in the fund?

This section tells you the risks of investing in the fund. You will find a description of each risk in *Specific risks of mutual funds*.

Investment risk classification methodology

A risk classification rating is assigned to each fund to provide you with information to help you determine whether the fund is appropriate for you. Each fund is assigned a risk rating in one of the following categories: low, low to medium, medium, medium to high or high. The investment risk rating for each fund is reviewed at least annually as well as if there is a material change in a fund's investment objective or investment strategies.

The methodology used to determine the risk ratings of a fund for purposes of disclosure in this simplified prospectus is based on a combination of the qualitative aspects of the methodology recommended by the Fund Risk Classification Task Force of the Investment Fund Institute of Canada and the Manager's quantitative analysis of the fund's historic volatility. In particular, the standard deviation of each fund is reviewed. Standard deviation is a common statistic used to measure the volatility of an investment. Funds with higher standard deviations are generally classified as being more risky. The Manager takes into account other qualitative factors in making its final determination of each fund's risk rating. Qualitative factors taken into account include key investment policy guidelines which may include but are not limited to regional, sectoral and market capitalization restrictions as well as asset allocation policies.

The Manager recognizes that other types of risk, both measurable and non-measurable, may exist and that historical performance may not be indicative of future returns and a fund's historic volatility may not be indicative of its future volatility.

The methodology that the Manager uses to identify the investment risk level of the funds is available on request at no cost by contacting 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 simplified prospectus.

Who should invest in this fund?

This section can help you decide if the fund might be suitable for your investment portfolio. It is meant as a general guide only. For advice about your investment portfolio, you should consult your registered investment professional. If you do not have a registered investment professional, you can speak with one of our representatives at any Scotiabank branch or by calling a Scotia Securities Inc. or ScotiaMcLeod office.

Distribution policy

This section tells you when the fund usually distributes any net income and capital gains, and where applicable, return of capital to unitholders. The funds may also make distributions at other times.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions. For information about how distributions are taxed, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This is an example of how much the fund might pay in expenses. It is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. Each fund pays its own expenses, but they affect you because they reduce the fund's returns.

The table shows how much the fund would pay in expenses on a $1,000 investment with a 5% annual return. The information in the tables assumes that the fund's management expense ratio ("MER") was the same throughout each period shown as it was during its last completed financial year. If a particular series of units of a fund was not operational on December 31, 2015, no fund expenses information is available for that series. You will find more information about fees and expenses in *Fees and expenses*.

Cash Equivalent Funds

Scotia Money Market Fund

Scotia Premium T-Bill Fund

Scotia Private Short Term Income Pool

Scotia T-Bill Fund

Scotia U.S. $ Money Market Fund

Cash Equivalent Funds

Scotia Money Market Fund

Fund details

Fund type	Cash equivalent fund
Start date	Series A units: August 30, 1990 Series I units: June 20, 2005 Series K units: July 13, 2016 Series M units: July 26, 2000
Type of securities	Series A, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short-term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in securities with a maturity of up to one year. The fund invests in securities with a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. The fund's investments will have a maximum 180 day average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting.

The portfolio advisor uses interest rate, yield curve and credit analysis to select individual investments and to manage the fund's average term to maturity.

The fund aims to maintain a constant unit value of $10.00 by crediting income and capital gains daily and distributing them monthly, but there is a risk the price could change.

The fund can invest up to 30% of its assets in foreign securities. Not less than 95% of the fund's assets must be denominated in Canadian currency.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- credit risk
- interest rate risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

The fund aims to maintain a constant unit value of $10.00, but there is a risk the price could change.

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity
- you are looking for low risk and aiming to preserve capital
- you are investing for the short term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund credits net income daily and distributes it by the last business day of each month, or at such other times as may be determined by the Manager to ensure that the fund will not have any liability for income tax under Part I of the Tax Act.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 7.79	24.56	43.04	97.98
Series M units	$ 0.51	1.62	2.83	6.45

No information is available for Series I or Series K units of the fund as these series were not operational at the end of the last completed financial year.

Scotia Premium T-Bill Fund

Fund details

Fund type	Cash equivalent fund
Start date	July 10, 1992
Type of securities	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

The fund pays a rebate, called a management fee distribution, of the management fees otherwise payable to the manager, of 0.20% when the value of the fund within an account is $250,000 to $1 million and 0.35% when the value of the fund within an account is more than $1 million. If you are eligible for a management fee distribution, you can expect to realize more income from the fund than you would otherwise realize.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in securities with a maturity of up to one year. The fund's investments will have a maximum 180 day average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and to manage the fund's average term to maturity.

The fund aims to maintain a constant unit value of $10.00 by crediting income and capital gains daily and distributing them monthly, but there is a risk the price could change.

The fund can invest up to 30% of its assets in foreign securities. Not less than 95% of the fund's assets must be denominated in Canadian currency.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you have at least $100,000 to invest in the fund
- you want interest income and liquidity
- you are looking for low risk and aiming to preserve capital
- you are investing for the short term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund credits net income daily and distributes it by the last business day of each month, or at such other times as may be determined by the Manager to ensure that the fund will not have any liability for income tax under Part I of the Tax Act.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 4.72	14.86	26.05	59.31

Scotia Private Short Term Income Pool

Fund details

Fund type	Cash equivalent fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: July 17, 2011
Type of securities	Pinnacle Series and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to preserve investment capital while providing interest income and maintaining liquidity by investing primarily in highly liquid, senior investment grade money market instruments (i.e. federal and provincial treasury bills and bonds) and bankers acceptances with a minimum credit rating of R-1 (low) or A-1 (low).

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in securities with a maturity of up to one year. The fund invests in securities with a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. The fund's investments will have a maximum 180 day average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting. The fund's investments may also include:

- investing up to 30% of its assets in foreign government money market instruments
- other money market investments

The fund aims to maintain a constant unit value of $10 by crediting income and capital gains daily and distributing them monthly.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse purchase transaction risk.*

What are the risks of investing in the fund?

Returns may vary with movements in interest rates.

Although the fund intends to maintain a constant unit price of $10, there is no guarantee that the price will not go up or down.

The main risks of investing in this fund are:

- credit risk
- currency risk
- foreign investment risk
- interest rate risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity with a high level of safety
- you are investing for the short term
- you can accept low risk
- you are aiming to preserve capital

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund credits net income daily and distributes it by the last business day of each month or at such other times as may be determined by the Manager.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	5.74	18.10	31.72	72.20
Series F units	$	6.56	20.68	36.25	82.51

Scotia T-Bill Fund

Fund details

Fund type	Cash equivalent fund
Start date	October 3, 1991
Type of securities	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in securities with a maturity of up to one year. The fund's investments will have a maximum 180 day average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and to manage the fund's average term to maturity.

The fund aims to maintain a constant unit value of $10.00 by crediting income and capital gains daily and distributing them monthly, but there is a risk the price could change.

The fund can invest up to 30% of its assets in foreign securities. Not less than 95% of the fund's assets must be denominated in Canadian currency.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- interest rate risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity
- you are looking for low risk and aiming to preserve capital
- you are investing for the short term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund credits net income daily and distributes it by the last business day of each month or at such other times as may be determined by the Manager to ensure that the fund will not have any liability for income tax under Part I of the Tax Act.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 4.92	15.51	27.19	61.88

Scotia U.S. $ Money Market Fund

Fund details

Fund type	Cash equivalent fund
Start date	Series A units: September 3, 1996 Series M units: November 14, 2016
Type of securities	Series A and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as the World Bank.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund generally invests in securities with a maturity of up to one year. The fund invests in securities with a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. The fund's investments will have a maximum 180 day average term to maturity and a maximum 90 day average term to maturity when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting.

The portfolio advisor uses interest rate, yield curve and credit analysis to select individual investments and to manage the fund's average term to maturity.

The fund aims to maintain a constant unit value of US$10.00 by crediting income and capital gains daily and distributing them monthly, but there is a risk the price could change.

The fund can invest up to 100% of its assets in securities outside of the U.S. Not less than 95% of the fund's assets must be denominated in U.S. currency.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- interest rate risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, one investor held approximately 10.1% of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want interest income and liquidity
- you want exposure to the U.S. Dollar
- you are looking for low risk and aiming to preserve capital
- you are investing for the short term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund credits net income daily and distributes it by the last business day of each month, or at such other times as may be determined by the Manager to ensure that the fund will not have any liability for income tax under Part I of the Tax Act. The fund will also distribute any net realized capital

gains arising from the requirement for tax purposes to convert amounts denominated in U.S. dollars to Canadian dollars.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 2.67	8.40	14.73	33.52

No information is available for Series M units of the fund as this series was not operational at the end of the last completed financial year.

Income Funds

Scotia Bond Fund

Scotia Canadian Income Fund

Scotia Conservative Income Fund

Scotia Floating Rate Income Fund

Scotia Global Bond Fund

Scotia Mortgage Income Fund

Scotia Private American Core-Plus Bond Pool

Scotia Private Canadian Corporate Bond Pool

Scotia Private Canadian Preferred Share Pool

Scotia Private Global Credit Pool

Scotia Private High Yield Income Pool

Scotia Private Income Pool

Scotia Private Short-Mid Government Bond Pool

Scotia Private Total Return Bond Pool

Scotia Short Term Bond Fund

Scotia U.S. $ Bond Fund

Scotia Bond Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: September 8, 2009 Series I units: September 8, 2009 Series M units: November 14, 2016
Type of securities	Series A, Series I and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide a steady flow of income and modest capital gains. The fund invests primarily in high-quality fixed-income securities issued by Canadian federal, provincial and municipal governments and Canadian corporations.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor will take into consideration the FTSE TMX Canada Universe Bond Index in structuring the fund's portfolio. The portfolio advisor will select investments by analyzing the security's features, its current price compared to its estimated long-term value, the credit quality of the issuer as well as any short-term trading opportunities resulting from market inefficiencies. The portfolio advisor may also allocate the fund's assets to different bond maturities than the FTSE TMX Canada Universe Bond Index while maintaining a similar overall duration as the index.

The fund will invest primarily in securities, with a maturity of one year or less, rated R2 (low) or higher and in securities, with a maturity of more than one year, rated BBB (low) or higher at the time of investment by Dominion Bond Rating Service Limited or an equivalent rating by another designated rating organization.

The fund may also invest in money market instruments, commercial paper, bankers' acceptances and mortgage-backed securities.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk

- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 13.33	42.01	73.63	167.60

No information is available for Series I or Series M units as these series were not operational at the end of the last complete financial year.

Scotia Canadian Income Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: November 1,1957 Series F units: August 14, 2001 Series I units: December 10, 2002 Series K units: July 13, 2016 Series M units: September 20, 2000
Type of securities	Series A, Series F, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances, mortgage-backed securities and guaranteed investment certificates
- high-quality dividend-paying shares of Canadian corporations

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. Securities with a maturity of more than one year will have a credit rating of BBB (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization.

The average term to maturity of the fund's investments will vary, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk

- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Canadian Balanced Fund and Scotia Diversified Monthly Income Fund held approximately 13.3% and 10.7%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 15.07	47.50	83.26	189.52
Series F units	$ 8.20	25.85	45.31	103.14
Series I units	$ 0.21	0.65	1.13	2.58
Series M units	$ 1.03	3.23	5.66	12.89

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Conservative Income Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: January 27, 2014
Type of securities	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income by investing primarily in fixed income securities. It invests primarily in a diversified mix of income mutual funds managed by us or by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund is an asset allocation fund that allocates your investment between income oriented investment strategies.

The fund invests primarily in conservative underlying funds that invest in fixed income securities, such as but not limited to bonds issued by Canadian and U.S. federal, provincial and municipal governments; bonds and preferred shares issued by U.S. and Canadian investment grade corporations and non-investment grade corporations; and residential mortgages. Where the fund invests in underlying funds, the weightings of those underlying funds may be rebalanced periodically, at the discretion of the portfolio advisor, so as to allow the portfolio advisor to use an investment approach that manages risk and increases potential return to the fund. The fund may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The average term to maturity of the fund's investments will vary, generally between 2 and 4 years, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The underlying funds in which the fund invests may change from time to time. Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

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

The fund and underlying funds may also enter into securities lending, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and underlying funds managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 37.2% of the net assets of the portfolio were invested in Scotia Short Term Bond Fund Series I, up to 28.9% of the net assets of the portfolio were invested in Scotia Mortgage Income Fund Series I and up to 27.5% of the net assets of the portfolio were invested in Scotia Floating Rate Income Fund Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want income
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 15.17	47.82	83.82	190.81

Scotia Floating Rate Income Fund

Fund details

Fund type	Fixed income fund
Start date	Series I units: January 27, 2014 Series K units: July 8, 2016 Series M units: February 6, 2014
Type of securities	Series I, Series K and M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to generate income consistent with prevailing short-term corporate bond yields while stabilizing market value from the effects of interest rate fluctuations.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of the unitholders called for that purpose.

Investment strategies

To achieve the fund's investment objectives, the portfolio advisor invests primarily in North American investment grade corporate bonds while using interest rate swaps to minimize interest rate risk and deliver a floating rate of income. The fund may also invest in floating rate debt securities. Additionally, the fund may invest in high yield securities provided that immediately after such investment the overall weighted average credit rating of the Fund's portfolio remains investment grade. Investment analysis for this fund follows a top-down and bottom-up approach beginning with the global and local economy, followed by analysis of credit, equity, exchange rate and interest rate markets, and culminating in an in-depth assessment of each individual security, focusing on the risk/reward relationship of individual investments within a diversified portfolio.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

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

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Income Portfolio and Scotia INNOVA Balanced Income Portfolio held approximately 18.6%% and 16.8%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a floating stream of income
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment Risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series I units	$ 0.31	0.97	1.70	3.87
Series M units	$ 1.33	4.20	7.36	16.76

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Global Bond Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: July 4, 1994 Series F units: November 19, 2002 Series I units: April 28, 2003
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income. It invests primarily in foreign currency-denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The average term to maturity of the fund's investments will vary, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The fund holds securities denominated in a variety of currencies for diversification.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of interest income from fixed income securities denominated in a variety of currencies
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 20.60	64.95	113.84	259.14

No information is available for Series F or Series I units as these series were not operational at the end of the last completed financial year.

Scotia Mortgage Income Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: November 4, 1992 Series F units: July 22, 2007 Series I units: April 28, 2003 Series K units: July 13, 2016 Series M units: February 6, 2014
Type of securities	Series A, Series F, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. The mortgages purchased by the fund are generally either:

- insured or guaranteed by Canadian federal or provincial governments, or their agencies, or
- conventional first mortgages with loan-to-value ratios of no more than 80%, unless the excess is insured by an insurance company registered or licensed under federal or provincial legislation

Scotiabank will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation. It will buy the mortgage at a price equal to the principal value plus any unpaid interest. That means the fund doesn't assume the risk of default on these mortgages.

The fund may invest up to 25% of its assets in fixed income securities issued by Canadian federal, provincial and municipal governments, and by corporations.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.07	60.10	105.35	239.80
Series F units	$ 12.10	38.13	66.83	152.13
Series I units	$ 4.00	12.60	22.09	50.28
Series M units	$ 6.15	19.39	33.98	77.35

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Private American Core-Plus Bond Pool

Fund details

Fund type	Fixed income fund
Start date	Pinnacle Series units: February 14, 2002 Series F units: February 17, 2009 Series I units: January 22, 2009
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Logan Circle Partners, L.P. Philadelphia, Pennsylvania

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns and to provide income as well as capital growth by investing primarily in a portfolio of U.S. government and corporate bonds and mortgage pass through securities. The fund may also invest in the U.S. dollar denominated emerging markets, non-investment grade debt and non-U.S. investment grade sovereign and corporate debt.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's investments in bonds will have a weighted average credit rating of at least investment grade.

Up to 20% of the net asset value of the fund may be invested in U.S. developed market investment grade sovereign and corporate debt.

Up to 20% of the net asset value of the fund may be invested in non-U.S. government agency and corporate bonds.

At least 80% of the net asset value of the fund will consist of investment grade securities. Investments in non-U.S. dollar denominated securities and non-investment grade securities will be made tactically based on the Portfolio Advisor's evaluation of spread management using fundamental bottom up research.

The fund's investments may also include:

- short term instruments and cash equivalents
- U.S. denominated asset-backed securities and mortgage-backed securities

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

What are the risks of investing in the fund?

Returns will vary inversely with movements in interest rates (i.e. if interest rates rise, returns will decline; if interest rates drop, returns will increase).

Higher potential for gain and greater risk of loss associated with lower rated securities.

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio, Scotia INNOVA Balanced Income Portfolio and Scotia INNOVA Income Portfolio held approximately 25.8%, 20.8% and 14.9%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income and U.S. dollar exposure
- you are investing for the medium to long term
- you can accept medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 2.05	6.46	11.33	25.78
Series F units	$ 9.43	29.73	52.11	118.61
Series I units	$ 0.31	0.97	1.70	3.87

Scotia Private Canadian Corporate Bond Pool

Fund details

Fund type	Fixed income fund
Start date	Series I units: June 9, 2008 Series K units: July 13, 2016 Series M units: December 3, 2003
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds issued by Canadian corporations.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will generally have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. Securities with a maturity of more than one year must have a credit rating of BBB (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. The fund can invest up to 25% of its assets in securities that have a credit rating of no lower than B (low) by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization.

The portfolio advisor analyzes credit risk to identify securities that offer higher yields at an acceptable level of risk. Interest rate and yield curve analysis are used to manage the fund's average term to maturity depending on market conditions.

The credit quality of the fund's investments will vary depending on the economic cycle, industry factors, specific company situations and market pricing considerations to try to maximize returns while minimizing portfolio risk.

The portfolio advisor may:

- invest in bonds and treasury bills issued by Canadian federal, provincial and municipal governments and their agencies
- invest in other fixed income securities including preferred shares, mortgage and asset-backed securities, and strip bonds
- invest in money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances and guaranteed investment certificates
- use derivatives such as options, futures, forward contracts, credit based derivatives and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

The fund may invest in other mutual funds that are managed by us or by other mutual fund managers. You will find more information about investing in other mutual funds under *Investing in underlying funds*.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable capital gains if you hold the fund in a non-registered account.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a

candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term.

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series I units	$ 0.21	0.65	1.13	2.58
Series M units	$ 1.03	3.23	5.66	12.89

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Private Canadian Preferred Share Pool

Fund details

Fund type	Fixed income fund
Start date	Series I units: March 12, 2012 Series K units: July 13, 2016 Series M units: December 15, 2011
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular income and the potential for modest long term capital growth. It invests primarily in a diversified portfolio of preferred shares of Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests primarily in preferred shares of Canadian corporations. The investment process relies mainly on fundamental analysis of each issuer. The portfolio securities selection process is based on an extensive analysis of credit fundamentals, risk profiles, yield, relative performance and liquidity.

The portfolio advisor allocates the fund's assets among issuers in different market sectors and primarily in companies of investment grade quality as defined by at least one of the recognized rating organizations.

The fund may also invest in cash and cash equivalents, investment grade corporate debt securities and convertible securities and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to:

- gain exposure to individual securities and markets instead of buying the securities directly
- hedge against losses from changes in the prices of investments, interest rates, market indexes or currency exchange rates, and will only use derivatives as permitted by securities regulations

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund may from time to time invest a portion of its assets in securities of other mutual funds which are managed by us or by other mutual fund managers. You will find more information about investing in other funds under *Investing in underlying funds*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust unit risk

- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular income and the potential for modest long term growth
- you want to maximize after-tax income by taking advantage of the Canadian dividend tax credit (this only applies to non-registered accounts because you generally do not pay tax on distributions received from funds you hold in Registered Plans)
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series I units	$	0.31	0.97	1.70	3.87
Series M units	$	1.23	3.88	6.80	15.47

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Private Global Credit Pool

Fund details

Fund type	Fixed income fund
Start date	Series I units: November 14, 2016
Type of securities	Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	PIMCO Canada Corp. Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to maximize current income and provide modest capital gains. It invests primarily in investment grade non-Canadian dollar corporate bonds diversified broadly across industries, issuers, and regions.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund seeks to achieve its investment objective by investing the majority of its assets in a diversified portfolio of corporate fixed income securities of varying maturities.

In addition to corporate fixed income securities, the fund may, but is not limited to, invest in sovereign, agency, and supranational securities, corporate issues below investment grade, securities and instruments issued or economically tied to emerging market countries, common or preferred stocks.

The fund may use derivatives such as options, futures contracts, forwards and swaps, as permitted by Canadian securities laws to, among other things:

- hedge against declines in security prices, financial markets, exchange rates and interest rates;
- gain exposure to securities, financial markets and foreign currencies; and
- seek to obtain market exposure to securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques such as buy backs and dollar rolls.

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

The portfolio advisor may engage in short selling as a complement to the fund's other investment strategies in a manner considered most appropriate to achieve the Fund's overall investment objectives and enhancing the fund's returns subject to the controls and restrictions set out in Canadian securities laws. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to *Short selling risk*.

The portfolio advisor may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgaged-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a combination of income and growth potential from investing in corporate bonds
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

No information is available for this fund as it was not operational at the end of the last completed financial year.

Scotia Private High Yield Income Pool

Fund details

Fund type	Fixed income fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: October 12, 2010 Series K units: July 13, 2016 Series M units: October 5, 2010
Type of securities	Pinnacle Series, Series F, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Guardian Capital LP Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns and to provide income as well as capital growth by investing primarily in high yield, lower rated Canadian corporate bonds, preferred shares and short term money market securities.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's investments will have an average duration of 7 years and an average credit rating of BB to BBB.

The fund's investments may also include investing up to 55% of its assets in securities rated below BB.

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

What are the risks of investing in the fund?

Returns will vary inversely with movements in interest rates (i.e. if interest rates rise, returns will decline; if interest rates drop, returns will increase).

Higher potential for gain and greater risk of loss associated with lower rated securities.

The main risks of investing in this fund are:

- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio, held approximately 11.8% of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you are seeking a high level of regular interest income
- you are contributing to the income portion of a diversified portfolio
- you are investing for the medium to long term
- you can accept medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	1.23	3.88	6.80	15.47
Series F units	$	9.23	29.08	50.97	116.03
Series I units	$	0.31	0.97	1.70	3.87
Series M units	$	3.69	11.63	20.39	46.41

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Private Income Pool

Fund details

Fund type	Fixed income fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to preserve investment capital while seeking to achieve increased income by investing primarily in a portfolio of Canadian government and corporate bonds, preferred shares of Canadian corporations and loans of supranational organizations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's investments may also include:

- mortgage-backed securities, mortgage bonds and guaranteed mortgages
- term loans
- short term instruments and cash equivalents

Duration may vary by no more than one year from the duration of the FTSE TMX Canada Universe Bond Index. The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse purchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary inversely with movements in interest rates (i.e. if interest rates rise, returns will decline; if interest rates drop, returns will increase).

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income while tracking the performance of a major Canadian bond index
- you are investing for the medium to long term
- you can accept low to medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	0.82	2.59	4.53	10.31
Series F units	$	8.61	27.14	47.58	108.30
Series I units	$	0.31	0.97	1.70	3.87

Scotia Private Short-Mid Government Bond Pool

Fund details

Fund type	Fixed income fund
Start date	Series I units: January 21, 2009 Series K units: July 13, 2016 Series M units: December 14, 2007
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments or any agency of such governments
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will generally have a credit rating of R1 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. Securities with a maturity of more than one year must have a credit rating of BBB (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization.

The average term to maturity of the fund's investments will vary, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates, and will only use derivatives as permitted by securities regulations.

The portfolio advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable capital gains if you hold the fund in a non-registered account.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk

- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Income Portfolio and Scotia INNOVA Income Portfolio held approximately 13.0% and 11.6%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term.

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series I units	$	0.21	0.65	1.13	2.58
Series M units	$	1.03	3.23	5.66	12.89

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Private Total Return Bond Pool

Fund details

Fund type	Fixed Income Fund
Start date	Series M units: November 14, 2016
Type of securities	Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide income and capital gains from an actively managed diversified portfolio of primarily Canadian fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

To achieve its mandate, the fund invests in a diversified portfolio of fixed income securities, with the active management of interest rate and credit risk. The fund will invest primarily in investment grade corporate bonds, but may also invest in other forms of debt and fixed income securities and debt-like instruments, including but not limited to:

- Federal, provincial and municipal government bonds;
- Real return and inflation protected bonds;
- Unrated securities;
- Other securities with a high level of current income such as income trusts, real estate investment trusts, convertible bonds and hybrid securities; and
- Private placements, loans and guaranteed mortgages.

The portfolio advisor will use a combination of investment strategies emphasizing fundamental and technical analytical techniques that have generally been developed by the portfolio advisor. Returns will be generated from both interest income and capital gains. Strategies to mitigate risk include active security selection, sector diversification, yield curve and duration management and portfolio diversification around interest rate volatility. Fixed income securities are actively traded in response to movements in the level of bond yields, the shape of the yield curve, the level of real yields and the level of credit spreads. Each trade is performed with consideration to the security's risk/reward profile.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies. It will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest the fund's assets in cash and cash equivalent securities.

The fund may also engage in short selling as permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lowers the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want modest long term capital growth
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

No information is available for this fund as it was not operational at the end of the last completed financial year.

Scotia Short Term Bond Fund

Fund details

Fund type	Fixed income fund
Start date	Series I units: January 29, 2014 Series K units: July 13, 2016 Series M units: October 4, 2010
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, any agency of such governments and Canadian corporations
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will generally have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited or an equivalent rating by another designated rating organization.

The average term to maturity of the fund's investments will vary, generally between 2 and 5 years, depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange risk, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund may from time to time invest a portion of its assets in securities of other mutual funds which are managed by us or by other mutual fund managers. You will find more information about investing in other funds under *Investing in underlying funds*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- foreign investment risk

- fund-of-funds risk
- interest rate risk
- issuer specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular interest income
- you can accept low to medium risk
- you are investing for the medium to long term.

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series I units	$	0.31	0.97	1.70	3.87
Series M units	$	1.13	3.55	6.23	14.18

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Scotia U.S. $ Bond Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: November 27, 1991 Series F units: July 11, 2001
Type of securities	Series A and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

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.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

Securities with a maturity of one year or less will have a credit rating of R2 (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization. Securities with a maturity of more than one year will have a credit rating of BBB (low) or better by Dominion Bond Rating Service Limited, or an equivalent rating by another designated rating organization.

The average term to maturity of the fund's investments will vary depending on market conditions. The portfolio advisor adjusts the average term to maturity to try to maximize returns while minimizing interest rate risk.

The portfolio advisor uses interest rate and yield curve analysis to select individual investments and manage the fund's average term to maturity. It analyzes credit risk to identify securities that offer the potential for higher yields at an acceptable level of risk.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates and foreign currency exchange rates, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The risks of investing in this fund are:

- commodity risk
- credit risk
- derivatives risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income and U.S. dollar exposure
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 17.84	56.22	98.55	224.33
Series F units	$ 9.64	30.37	53.24	121.19

Balanced Funds

Scotia Balanced Opportunities Fund

Scotia Canadian Balanced Fund

Scotia Diversified Monthly Income Fund

Scotia Dividend Balanced Fund

Scotia Global Balanced Fund

Scotia Income Advantage Fund

Scotia Private Strategic Balanced Pool

Scotia U.S. $ Balanced Fund

Scotia Balanced Opportunities Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: May 1, 1989 Series D units: March 27, 2015 Series F units: March 22, 2001
Type of securities	Series A, Series D and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia

What does the fund invest in?

Investment objectives

The fund's objective is to obtain capital growth over the long term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's asset mix will generally vary within the following ranges: 20-80% in equity securities and 20-80% in fixed income securities. The fund may also invest a portion of its assets in money market instruments. The portfolio advisor determines the mix based on its analysis of market conditions and how it expects each asset series to perform.

The portfolio advisor actively manages the allocation between equity and fixed income securities to try to maximize returns. The portfolio advisor will aggressively pursue opportunities for capital gains or investment income, but will take measures to avoid undue risk or low returns from a particular security.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor uses fundamental analysis to identify long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates, and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk

- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want growth through asset allocation among the three major asset classes
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.32	67.21	117.81	268.16
Series D units	$ 15.27	48.15	84.39	192.10
Series F units	$ 11.58	36.51	64.00	145.68

Scotia Canadian Balanced Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: June 18, 1990 Series F units: March 22, 2001 Series D units: December 19, 2014
Type of securities	Series A, Series D and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide a balance between earning income and obtaining capital growth over the long term. It invests primarily in a broad range of Canadian equity and fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's asset mix will generally vary within the following ranges: 30-70% in equity securities and 30-70% in cash equivalent and fixed income securities. The portfolio advisor determines the asset mix based on its analysis of market conditions and how it expects each asset series to perform over the long term.

The portfolio advisor uses fundamental analysis to identify long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against changes in stock prices, commodity prices, market indexes or currency exchange rates, credit spreads and interest rates and to gain or reduce exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk

- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 40.4% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want both interest income and growth through asset allocation among the three major asset classes
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.01	66.24	116.11	234.29
Series D units	$ 15.58	49.12	86.09	195.96
Series F units	$ 11.69	36.84	64.57	146.97

Scotia Diversified Monthly Income Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: June 20, 2005 Series F units: November 13, 2006 Series D units: February 13, 2015
Type of securities	Series A, Series D and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular monthly income and some capital appreciation.

It invests primarily in a diversified portfolio of income generating securities such as:

- dividend paying common shares
- preferred shares
- investment grade bonds
- convertible debentures
- mortgages
- high yield bonds
- asset-backed and mortgage-backed securities
- income trust units

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor determines the asset mix based on its analysis of market conditions and performance expectations for each asset series in a manner consistent with the fund's investment objectives. For the fund's equity investments, the portfolio advisor uses fundamental analysis to identify appropriate long-term investments. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk. For fixed income securities, the portfolio advisor analyzes credit risk to identify securities that offer higher yields at an acceptable level of risk. Interest rate and yield curve analysis are used to manage the fund's average term to maturity depending on market conditions. The credit quality of the fund's investments will vary depending on the economic cycle, industry factors, specific company situations and market pricing considerations to try to maximize returns while minimizing portfolio risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to adjust the fund's average term to maturity, to gain or reduce exposure to income-producing securities and to hedge against changes in interest rates, foreign currency exchange rates, credit spreads and stock market prices, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 24.8% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 18.3% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular monthly income with some capital appreciation
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 14.97	47.18	82.69	188.23
Series D units	$ 11.99	37.81	66.27	150.84
Series F units	$ 8.71	27.47	48.14	109.59

Scotia Dividend Balanced Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: August 30, 2010 Series D units: January 28, 2015 Series I units: August 27, 2010
Type of securities	Series A, Series D and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth and current income return. It invests, either directly or through investing in securities of other funds, primarily in equity securities of companies that pay dividends or that are expected to pay dividends, fixed income securities, and other securities that are expected to distribute income.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that pay dividends and income and/or have the potential for capital growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in fixed income securities of any quality or term, and may also invest in securities that are expected to distribute income. For fixed income securities, the portfolio advisor analyzes credit risk to identify securities that offer higher yields at an acceptable level of risk. Interest rate and yield curve analysis are used to manage the fund's average term to maturity depending on market conditions. The credit quality of the fund's investments will vary depending on the economic cycle, industry factors, specific company situations and market pricing considerations to try to maximize returns while minimizing portfolio risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates, and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk

- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 11.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want to maximize after-tax income by taking advantage of the Canadian dividend tax credit (this only applies to non-registered accounts because you generally do not pay tax on distributions received from funds you hold in Registered Plans)
- you want some potential for long term growth
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.68	62.04	108.74	247.53
Series D units	$ 11.38	35.87	62.87	143.11

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Global Balanced Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: August 23, 2010 Series D units: March 9, 2015 Series I units: August 27, 2010
Type of securities	Series A, Series D and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

This fund aims to generate income and long term capital growth. It primarily invests in a combination of equity and fixed income securities from anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

This fund uses an asset allocation approach. The fund is not limited to how much it invests in any single country or asset series. This will vary according to market conditions. To the extent the fund invests in equity securities, these may include preferred and common shares that are diversified by sector and style. Investments in fixed income securities may consist of government and corporate bonds, debentures, loans and notes. This may include securities that are unrated or have a credit rating below investment grade. The term to maturity of these securities will vary depending on the portfolio advisor's outlook for interest rates.

In selecting investments for the fund, the portfolio advisor uses a combination of top down macro-economic analysis and fundamental analysis for bottom up security selections. When deciding whether to buy or sell an investment, the portfolio advisor also considers whether the investment is a good value relative to its current price. The fund also may seek additional income through:

- investment in real estate investment trusts, royalty trusts, income trusts, master limited partnerships and other similar investments
- writing covered call options.

This fund may use derivatives such as options, futures, forward contracts and swaps to:

- protect against losses from changes in interest rates and the prices of its investments, and from exposure to foreign currencies
- gain exposure to individual securities and markets instead of buying the securities directly.

Derivatives will only be used as permitted by securities regulations.

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

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest this fund's assets in cash and cash equivalent securities. The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 100.2% of the net assets of the fund were invested in CI Signature Global Income & Growth Fund Series I and up to 40.4% of the net assets of the fund were invested in PIMCO Investment Grade Credit Fund (Canada) Class I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want exposure to a combination of equity and fixed income securities from anywhere in the world
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 24.29	76.58	134.23	305.55
Series D units	$ 15.58	49.12	86.09	195.96

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Income Advantage Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: July 12, 2011 Series D units: June 21, 2016 Series K units: July 8, 2016 Series M units: September 13, 2013
Type of securities	Series A, Series D, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide regular income and long term capital growth. It invests primarily in a diversified portfolio of fixed income and income-oriented equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a flexible approach to investing primarily in fixed income and income-oriented equity securities with no restrictions on market capitalization, industry sector or geographic mix. The fund's asset mix will vary according to the portfolio advisor's view of market and economic conditions.

The fund may invest in fixed income securities of any quality or term. This includes, but is not limited to, government and corporate bonds, convertible bonds and debentures. This may include securities that are unrated or have a credit rating below investment grade. The term to maturity of these securities will vary depending on the portfolio advisor's outlook on interest rates.

To the extent that the fund invests in equity securities, these may include common shares, preferred shares, convertible preferred shares, real estate investment trusts, and other high yielding equity securities that are diversified by sector, style and geography.

The fund may also hold mortgage-backed securities, participation interests in loans, notes, closed end funds and private placements in equity and/or debt securities of public or private companies.

When buying and selling securities, the portfolio advisor will:

- analyze the financial and managerial prospects for a particular company and its relevant sector
- assess the condition of credit markets and the yield curve, including the outlook on monetary conditions
- conduct management interviews with companies to determine the corporate strategy and business plan, as well as to evaluate management capabilities

The portfolio advisor may:

- use derivatives such as options, forward contracts and swaps to hedge against losses from changes in the prices of investments, commodity prices, interest rates, credit risk, market indices or currency exchange rates, and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations
- seek additional income through covered call writing and other derivative strategies

The fund can invest up to 80% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund may from time to time invest a portion of its assets in securities of other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest most or all of the fund's assets in cash and cash equivalent securities. The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a

particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small companies risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want regular income with long term capital growth
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.73	68.50	120.07	273.32
Series M units	$ 1.64	5.17	9.06	20.63

No information is available for Series D or Series K units as these series were not operational at the end of the last completed financial year.

Scotia Private Strategic Balanced Pool

Fund details

Fund type	Balanced/asset allocation fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009
Type of securities	Pinnacle Series and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Lincluden Investment Management Oakville, Ontario

What does the fund invest in?

Investment objectives

This fund's investment objective is to achieve superior long term returns through a combination of capital growth and income by investing primarily in large capitalization stocks of Canadian corporations and Canadian government bonds. The weighting of the fund's portfolio will be allocated between asset classes within specified ranges: 40%-80% equities; 20%-60% fixed income securities; 0%-30% short term money market securities and cash.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

This fund uses an investment strategy of allocating investments between short term money market securities and cash, fixed income and equity securities. Reallocations between these asset classes tend to be carried out gradually and are fixed within specific ranges. The proportion of assets invested in different classes of securities will vary from time to time based on market conditions, economic outlook and level of interest rates and dividend yields.

The fund may use derivatives for hedging purposes and to provide more effective exposure while reducing transaction costs.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns may vary with changes in interest rates and stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want both interest income and growth through strategic asset allocation among the three major asset classes
- you are investing for the medium to long term
- you can accept medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 3.49	10.99	19.26	43.83
Series F units	$ 12.20	38.45	67.40	153.42

Scotia U.S. $ Balanced Fund

Fund details

Fund type	Balanced/asset allocation fund
Start date	Series A units: July 12, 2011
Type of securities	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to provide long term capital growth and current income in U.S. dollars. It invests primarily in a combination of fixed income and equity securities that are denominated in U.S. dollars.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses an asset allocation approach by investing in a diversified portfolio primarily consisting of fixed income and equity securities denominated in U.S. dollars. The fund's asset mix will vary according to the portfolio advisor's view of market and economic conditions.

Investment analysis for the equity component of the fund's portfolio follows a bottom-up approach, which emphasizes careful company specific analysis. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor will:

- analyze financial data and other information sources;
- assess the quality of management
- conduct company interviews where possible

The fund may invest in fixed income securities of any quality or term. For fixed income securities, the portfolio advisor will:

- analyze the financial and managerial prospects for a particular company and its relevant sector
- assess, among other data, the condition of credit markets, the yield curve, as well as the outlook for monetary conditions
- when needed, conduct management interviews with companies to determine the corporate strategy and business plan, as well as to evaluate management capabilities

The fund may invest a portion of its assets in U.S. dollar denominated securities of issuers located outside the U.S. The fund's investments across different countries and regions may vary from time to time, depending upon the portfolio advisor's view of specific investment opportunities and macro-economic factors. The fund may also invest from time to time in securities not denominated in U.S. dollars.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to:

- hedge against losses from changes in the prices of investments, commodity prices, interest rates or market indices, and will only use derivatives as permitted by securities regulations
- gain exposure to individual securities and financial markets instead of buying the securities directly
- seek additional income using derivative strategies

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may choose to hold cash or fixed-income securities for strategic reasons. In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest most or all of the fund's assets in cash and cash equivalent securities. The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want exposure to a combination of equity and fixed income securities
- you want exposure to the U.S. dollar
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 22.14	69.80	122.34	278.48

Equity Funds

Canadian and U.S. Equity Funds

Scotia Canadian Blue Chip Fund
Scotia Canadian Dividend Fund
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Private Canadian All Cap Equity Pool
Scotia Private Canadian Equity Pool
Scotia Private Canadian Growth Pool
Scotia Private Canadian Mid Cap Pool
Scotia Private Canadian Small Cap Pool
Scotia Private Canadian Value Pool
Scotia Private Fundamental Canadian Equity Pool
Scotia Private North American Dividend Pool
Scotia Private Real Estate Income Pool
Scotia Private U.S. Dividend Pool
Scotia Private U.S. Equity Pool
Scotia Private U.S. Large Cap Growth Pool
Scotia Private U.S. Mid Cap Growth Pool
Scotia Private U.S. Mid Cap Value Pool
Scotia Private U.S. Value Pool
Scotia Resource Fund
Scotia U.S. Blue Chip Fund
Scotia U.S. Dividend Fund
Scotia U.S. Opportunities Fund

International Equity Funds

Scotia European Fund
Scotia International Value Fund
Scotia Latin American Fund
Scotia Pacific Rim Fund
Scotia Private Emerging Markets Pool
Scotia Private International Core Equity Pool
Scotia Private International Equity Pool
Scotia Private International Small to Mid Cap Value Pool

Global Equity Funds

Scotia Global Dividend Fund
Scotia Global Growth Fund
Scotia Global Opportunities Fund
Scotia Global Small Cap Fund
Scotia Private Global Equity Pool
Scotia Private Global Low Volatility Equity Pool
Scotia Private Global Real Estate Pool

Canadian and U.S. Equity Funds

Scotia Canadian Blue Chip Fund

Fund details

Fund type	Canadian equity fund
Start date	Series A units: December 31, 1986 Series F units: June 1, 2011 Series I units: June 20, 2005
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund emphasizes large, well-established companies that are leaders in their industry.

The portfolio advisor invests primarily in publicly traded equity securities of businesses located in Canada. The portfolio advisor attempts to purchase investee businesses at a discount to their intrinsic value. Tax efficiency is an important part of the investment strategy and investments within the fund tend to be held for the longer term. From time to time investments may be sold to harvest tax losses. Investments may be eliminated when original attributes, including valuation parameters, are lost for whatever reason, in the opinion of the portfolio advisor.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk

- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in high quality equity securities of large Canadian companies
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 22.35	70.44	123.47	281.05
Series F units	$ 15.99	50.41	88.36	201.12
Series I units	$ 0.72	2.26	3.96	9.02

Canadian and U.S. Equity Funds

Scotia Canadian Dividend Fund

Fund details

Fund type	Canadian equity fund
Start date	Series A units: December 1, 1992 Series F units: January 21, 2002 Series I units: April 28, 2003 Series K units: July 13, 2016 Series M units: January 3, 2001
Type of securities	Series A, Series F, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that pay dividends and income and have the potential for capital growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates, and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk

- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want to maximize after-tax income by taking advantage of the Canadian dividend tax credit (this only applies to non-registered accounts because you generally do not pay tax on distributions received from funds you hold in Registered Plans)
- you want some potential for long term capital growth
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 17.73	55.90	97.98	223.04
Series F units	$ 9.53	30.05	52.67	119.90
Series I units	$ 0.21	0.65	1.13	2.58
Series M units	$ 1.33	4.20	7.36	16.76

No information is available for Series K units as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Canadian Growth Fund

Fund details

Fund type	Canadian equity fund
Start date	Series A units: February 20, 1961 Series F units: June 14, 2002 Series I units: April 28, 2003
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund represents a portfolio of equity securities chosen according to a growth investment approach. The portfolio advisor utilizes an approach that seeks to identify companies demonstrating better than average current or prospective earnings growth relative to overall market and relative to their peer group. When deciding to buy or sell an investment, the portfolio advisor also considers whether it is a good value relative to its current price.

The portfolio advisor may use techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of a company, its industry and the overall economy. As part of this evaluation, the portfolio advisor may:

- analyze financial data and other information sources
- asses the quality of management
- conduct company interviews, where possible

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk

- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Selected Growth Portfolio held approximately 12.5% of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a broad range of Canadian equity securities
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 22.55	71.09	124.60	283.63
Series F units	$ 12.92	40.71	71.36	162.44
Series I units	$ 0.51	1.62	2.83	6.45

Canadian and U.S. Equity Funds

Scotia Canadian Small Cap Fund

Fund details

Fund type	Canadian equity fund
Start date	Series A units: November 30, 1992 Series F units: November 30, 2000 Series I units: April 28, 2003 Series K units: July 13, 2016 Series M units: December 20, 2010
Type of securities	Series A, Series F, Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund represents a more actively traded portfolio of equity securities chosen according to a growth investment approach. The portfolio advisor utilizes an approach that seeks to identify companies demonstrating the strongest earnings growth relative to the overall market and relative to their peer group.

The portfolio advisor:

- will select investments by identifying securities that are deemed to offer potential for growth above the securities of comparable companies in the same industry
- will assess the financial parameters of a company, its market share and role in its industry, as well as the economic state of its industry; measures, such as earnings, price/earnings multiples and market share growth, may be used to evaluate investments
- may conduct management interviews with companies to determine the corporate strategy and business plan, as well as to evaluate management capabilities

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk

- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of smaller Canadian companies
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 25.73	81.11	142.16	323.60
Series F units	$ 14.86	46.85	82.12	186.94
Series M units	$ 3.79	11.96	20.96	47.70

No information is available for Series I or Series K units as these series were not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private Canadian All Cap Equity Pool

Fund details

Fund type	Canadian equity fund
Start date	Series I units: November 14, 2016
Type of securities	Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Hillsdale Investment Management Inc. Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve long term capital growth by investing in a broad range of Canadian equity securities across the market cap spectrum.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund seeks to achieve its investment objective by investing primarily in a diversified selection of Canadian equity securities trading on major Canadian exchanges.

The portfolio advisor uses a proprietary, multi-factor, multi-frequency, evidence-based investment process for stock selection implemented through a rigorous risk management framework. Using both a quantitative and qualitative approach, the portfolio advisor extracts and distills company fundamentals and transforms them into proprietary factors and forecasts. Portfolio construction is derived from fundamental, expectational and technical research reflecting the diversity of agents, investment styles and investment time horizons prevalent in the marketplace. This multi-dimensional approach leads to a core investment style with an objective of adding value through varying market conditions.

The portfolio advisor reviews the fund's investments regularly for their adherence to specific decision rules most appropriate to achieve the investment objective and for their contribution to increasing return and/or reducing risk.

The portfolio advisor's quantitative research is fully integrated across capital markets and factor research, return forecasting, portfolio construction, risk and factor monitoring, and performance measurement. This allows the portfolio advisor to form and test investment hypotheses through the search for new variables and factors that either predict or control equity returns. All new data inputs and algorithms resulting in either increased returns or reduced risks are immediately fed through to the fund in order to improve the fund's risk and return characteristics.

The portfolio advisor will endeavour to keep the fund in a fully-invested position, excluding any short term cash due to pending transactions or balancing, such balance not to exceed 10% of the fund's assets.

The fund can invest up to 10% of its total assets in foreign securities.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies. It will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the Fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk.*

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk

- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of Canadian companies
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

No information is available for this fund as it was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private Canadian Equity Pool

Fund details

Fund type	Canadian equity fund
Start date	Series I units: January 21, 2009 Series K units: July 13, 2016 Series M units: October 3, 2005
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds that are managed by us or by other mutual fund managers. You will find more information about investing in other mutual funds under *Investing in underlying funds*.

The fund will not invest in foreign securities.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- fund-of funds risk
- income trust risk
- interest rate risk
- issuer specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio and Scotia INNOVA Balanced Income Portfolio held approximately 19.5% and 10.3%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a broad range of Canadian equity securities
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series I units	$	0.21	0.65	1.13	2.58
Series M units	$	1.33	4.20	7.36	16.76

No information is available for Series K units as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private Canadian Growth Pool

Fund details

Fund type	Canadian equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Manulife Asset Management Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of large and medium capitalization Canadian corporations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a growth-oriented investment style to achieve its investment objectives.

The fund may invest up to 15% of its assets in cash and cash equivalents.

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a Canadian growth holding in a diversified portfolio
- you are investing for the long term
- you can accept medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 1.74	5.49	9.63	21.92
Series F units	$ 12.20	38.45	67.40	153.42
Series I units	$ 0.41	1.29	2.27	5.16

Canadian and U.S. Equity Funds

Scotia Private Canadian Mid Cap Pool

Fund details

Fund type	Canadian equity fund
Start date	Pinnacle Series units: February 14, 2002 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual Fund
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization Canadian corporations.

Any changes to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a value-oriented investment style to achieve its investment objectives.

The fund may use derivatives for foreign currency hedging purposes only.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

Stock prices of small and medium capitalization companies are typically more volatile due to size and shorter trading history.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a Canadian medium capitalization value holding in a diversified portfolio
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 2.77	8.72	15.29	34.81
Series F units	$ 12.30	38.78	67.97	154.71
Series I units	$ 0.92	2.91	.10	11.60

Canadian and U.S. Equity Funds

Scotia Private Canadian Small Cap Pool

Fund details

Fund type	Canadian equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: January 22, 2009 Series M units: November 14, 2016
Type of securities	Pinnacle Series, Series F, Series I and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Van Berkom and Associates Inc. Montreal, Québec

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization Canadian corporations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a growth-oriented investment style that is moderated by price sensitivity (growth at a reasonable price) to achieve its investment objectives.

The fund may invest up to 15% of its assets in cash and cash equivalents.

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

The fund can invest up to 10% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

Stock prices of small capitalization companies are typically more volatile due to size and shorter trading history.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Growth Portfolio and Scotia INNOVA Balanced Growth Portfolio held approximately 22.0% and 21.9%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a Canadian small capitalization growth holding in a diversified portfolio
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 2.46	7.76	13.59	30.94
Series F units	$ 12.40	39.10	68.53	156.00
Series I units	$ 0.31	0.97	1.70	3.87

No information is available for Series M units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private Canadian Value Pool

Fund details

Fund type	Canadian equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Scheer, Rowlett & Associates Investment Management Ltd. Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in securities of Canadian corporations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a value-oriented investment style to achieve its investment objectives.

The fund can invest up to 15% of its assets in cash and cash equivalents.

The fund may use derivatives for foreign currency hedging purposes only.

The fund can invest up to 30% of its assets in foreign securities.

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a Canadian value holding in a diversified portfolio
- you are investing for the long term
- you can accept medium risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 1.74	5.49	9.63	21.92
Series F units	$ 12.40	39.10	68.53	156.00
Series I units	$ 0.62	1.94	3.40	7.74

Canadian and U.S. Equity Funds

Scotia Private Fundamental Canadian Equity Pool

Fund details

Fund type	Canadian equity fund
Start date	Series I units: November 14, 2016
Type of securities	Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-Advisor	Jarislowsky, Fraser Limited Montreal, Quebec

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve long term capital growth by investing in a diversified portfolio of equity securities primarily issued by Canadian companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund seeks to achieve its investment objective by investing primarily in large cap stocks issued by Canadian companies with high growth potential.

The portfolio advisor uses a fundamental investment approach that focuses on high quality businesses with attractive earnings prospects at reasonable valuations. Based on the fundamental analysis, the portfolio advisor identifies investment opportunities that are industry leaders with unrecognized growth potential.

As part of the fundamental research, the portfolio advisor conducts detailed and rigorous analysis on:

- management teams and corporate governance structure
- historical earnings track record
- financial leverage
- valuation levels and,
- future growth potential

The fund can invest up to 49% of its total assets in foreign securities.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies. It will only use derivatives as permitted by securities regulations.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The portfolio advisor may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or cash equivalent securities during periods of market downturn or for other reasons.

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a broad range of Canadian equity securities
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

No information is available for this fund as it was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private North American Dividend Pool

Fund details

Fund type	Geographic equity fund
Start date	Series K Units: July 13, 2016 Series M units: August 22, 2005
Type of securities	Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential to increase their dividends over time and also to provide long-term capital appreciation. The portfolio advisor believes that a track record of dividend increase is an excellent indicator of financial health and growth prospects and that over the long term, income can contribute significantly to total return. This involves evaluating the business model, financial metrics and management of each company, as well as its industry and the economic cycle. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds that are managed by us or by other mutual fund managers. You will find more information about investing in other mutual funds under *Investing in underlying funds*.

The fund may invest up to 10% of its assets in foreign securities listed outside North America and American depository receipts of foreign domiciled companies.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of funds risk
- income trust risk
- interest rate risk
- issuer specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk

- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want dividend income as well as the growth potential of investing in a broad range of Canadian and U.S. equity securities
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series M units	$	1.74	5.49	9.63	21.92

No information is available for Series K units of the fund as this series was not operational at the end of the last complete financial year.

Canadian and U.S. Equity Funds

Scotia Private Real Estate Income Pool

Fund details

Fund type	Sector equity fund
Start date	Series I units: November 25, 2014 Series K units: July 13, 2016 Series M units: November 26, 2012
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund aims to achieve a high level of total investment return, consisting of income and capital gains. It invests primarily in equity and debt securities of real estate assets located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests primarily in securities of businesses around the world with potential for increased value as a result of ownership, management or other investment in real estate assets. The fund may also invest in businesses which are related to the real estate industry.

Techniques such as fundamental analysis may be used to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor may:

- Analyze financial data and other information sources;
- Assess the quality of management, and
- Conduct company interviews, where possible.

The portfolio advisor may also choose to:

- invest the fund's assets in real estate or real estate-related closed-end funds and other investment trusts from time to time;
- use warrants and derivatives such as options, forward contracts, futures contracts and swaps as permitted by securities regulations to:
    - hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies
    - gain exposure to individual securities and markets instead of buying the securities directly
    - generate income
    - hold cash or fixed-income securities for strategic reasons

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

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

This fund may from time to time invest a portion of its assets in securities of other mutual funds which are managed by us or by other mutual fund managers. For more information see *Investing in underlying funds*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed security risk
- credit risk

- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of funds risk
- income trust risk
- interest rate risk
- issuer specific risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want long term capital growth and income from real estate securities
- you want portfolio diversification through an investment in real estate securities
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series I units	$ 1.13	3.55	6.23	14.18
Series M units	$ 2.36	7.43	13.03	29.65

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private U.S. Dividend Pool

Fund details

Fund type	U.S. equity fund
Start date	Series I units: June 27, 2012 Series K units: July 13, 2016 Series M units: December 15, 2011
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund aims to achieve a high level of total investment return, including dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor seeks to identify companies with high quality business models and a consistent history of paying and/or growing dividends.

The portfolio advisor primarily uses fundamental analysis to assess a company's growth potential and valuation, evaluating factors such as quality of management, industry position, its competitive advantage, and the ability to pay dividends. The portfolio advisor will also consider quantitative and technical factors.

The fund may invest 10% of its assets in securities listed outside the U.S., as well as American depository receipts of foreign domiciled companies.

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly and to hedge against losses from changes in the prices of investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

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

The fund may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund may from time to time invest a portion of the assets in securities of other mutual funds which are managed by us or by other mutual fund managers. You will find more information about investing in other funds under *Investing in underlying funds*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of funds risk
- income trust risk
- interest rate risk

- issuer specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of U.S. companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each quarter, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series I units	$ 0.51	1.62	2.83	6.45
Series M units	$ 1.33	4.20	7.36	16.76

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private U.S. Equity Pool

Fund details

Fund type	U.S. equity fund
Start date	Series I units: January 21, 2009 Series K units: July 13, 2016 Series M units: October 5, 2005
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U.S. stock exchanges.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest up to 10% of its assets in securities of companies listed on an exchange located outside the U.S. and American depository receipts of foreign domiciled companies.

The fund may invest in other mutual funds that are managed by us or by other mutual fund managers. You will find more information about investing in other mutual funds under *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund is permitted to engage in short selling as a result of special relief it obtained from the Canadian securities regulators. This relief imposes limits and conditions on the fund's short selling activities. The fund will engage in short selling as a complement to the fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to *About short-selling* earlier in this document.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of funds risk
- income trust risk
- interest rate risk
- issuer specific risk

- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of U.S. companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series I units	$	0.21	0.65	1.13	2.58
Series M units	$	1.33	4.20	7.36	16.76

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private U.S. Large Cap Growth Pool

Fund details

Fund type	U.S. equity fund
Start date	Pinnacle Series units: February 23, 2001 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Polen Capital Management Boca Raton, Florida

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in large capitalization stocks of U.S. corporations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a growth-oriented investment style to achieve its investment objectives. The fund's investments may also include:

- investing up to 15% of its assets in cash and cash equivalents
- investing up to 10% of its assets in non-U.S. securities.

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of U.S. companies
- you want a U.S. growth holding in a diversified portfolio
- you are investing for the long term
- you can accept medium to high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 3.08	9.69	16.99	38.68
Series F units	$ 12.40	39,10	68.53	156.00
Series I units	$ 0.82	2.59	4.53	10.31

Canadian and U.S. Equity Funds

Scotia Private U.S. Mid Cap Growth Pool

Fund details

Fund type	U.S. equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: October 5, 2010 Series M units: October 21, 2010
Type of securities	Pinnacle Series, Series F, Series I and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	William Blair Investment Management, LLC Chicago, Illinois

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization companies traded on U.S. stock exchanges.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a growth-oriented investment style to achieve its investment objectives.

The fund's investments may also include investing up to 15% of its assets cash and cash equivalents. The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

Stock prices of small and medium capitalization companies are typically more volatile due to size and shorter trading history.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you are seeking exposure to U.S. medium-sized growth companies
- you want a U.S. medium capitalization growth holding in a diversified portfolio
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 5.64	17.77	31.15	70.91
Series F units	$ 10.25	32.31	56.64	128.92
Series M units	$ 6.87	21.65	37.95	86.38

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia Private U.S. Mid Cap Value Pool

Fund details

Fund type	U.S. equity fund
Start date	Pinnacle Series units: February 14, 2002 Series F units: February 17, 2009 Series I units: October 12, 2010 Series M units: November 2, 2010
Type of securities	Pinnacle Series, Series F, Series I and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Hahn Capital Management, LLC San Francisco, California

What does the fund invest in?

Investment objectives

The fund's objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization companies located in the U.S.

Any change to the fundamental investment objectives of the fund must be approved by the majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a value-oriented investment style to achieve its investment objectives.

The fund's investments may also include:

- investing up to 15% of its assets in cash and cash equivalents
- investing up to 10% of its assets in non-U.S. equivalent

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

Stock prices of small and medium capitalization companies are typically more volatile due to size and shorter trading history.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

Who should invest in this fund?

This fund may be suitable for you if:

- you are seeking exposure to U.S. medium-sized companies with value characteristics
- you want a U.S. medium capitalization value holding in a diversified portfolio
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 5.54	17.45	30.58	69.62
Series F units	$ 10.35	32.64	57.20	130.21
Series I units	$ 1.13	3.55	6.23	14.18
Series M units	$ 7.18	22.62	39.65	90.25

Canadian and U.S. Equity Funds

Scotia Private U.S. Value Pool

Fund details

Fund type	U.S. equity fund
Start date	Pinnacle Series: October 6, 1997 Series F units: February 17, 2009 Series I units: January 22, 2009
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Coho Partners, Ltd. Berwyn, Pennsylvania

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of large capitalization U.S. corporations.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a value-oriented investment style to achieve its investment objectives.

The fund's investments may also include:

- investing up to 15% of its assets in cash and cash equivalents
- investing up to 10% of its assets in non-U.S. securities

The Portfolio Advisor may actively trade the fund's investments. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you will receive taxable distributions if you hold the fund in a non-registered account.

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information on securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want long term growth of capital through well established, high quality U.S. companies
- you want a U.S. value holding in a diversified portfolio
- you are investing for the long term
- you can accept medium to high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 2.36	7.43	13.03	29.65
Series F units	$ 12.10	38.13	66.83	152.13
Series I units	$ 0.31	0.97	1.70	3.97

Canadian and U.S. Equity Funds

Scotia Resource Fund

Fund details

Fund type	Sector equity fund
Start date	Series A units: July 8, 1993 Series F units: June 17, 2010 Series I units: September 8, 2009
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in equity securities of businesses involved in the exploration or exploitation, development, production, processing, transportation or trading in base or ferrous metals, precious commodities (such as gold, silver, platinum, palladium and gems), coal, iron ore, uranium, energy commodities such as oil, natural gas, wind, alternative energy and other hydrocarbon products, lumber and lumber-related products, and other industrial materials. The fund may also invest in other types of securities to achieve its investment objective. Based on the portfolio advisor's view of global resource supply and demand, the resource sector weightings within the portfolio may vary and from time to time, a substantial portion of the fund's assets may be in one resource sector.

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 49% of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk

- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in the resource sector
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 24.40	76.91	134.80	306.94
Series F units	$ 15.38	48.47	84.96	193.39

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia U.S. Blue Chip Fund

Fund details

Fund type	U.S. equity fund
Start date	Series A units: January 1, 1987 Series F units: June 16, 2002 Series I units: April 28, 2003
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund emphasizes large, well-established companies that are leaders in their industry. The portfolio advisor invests primarily in publicly traded equity securities of businesses located in the United States. The portfolio advisor attempts to purchase investee businesses at a discount to their intrinsic value. Tax efficiency is an important part of the investment strategy and investments within the fund tend to be held for the longer term. From time to time investments may be sold to harvest tax losses. Investments may be eliminated when original attributes, including valuation parameters, are lost for whatever reason, in the opinion of the portfolio advisor.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 100% of its assets in foreign securities. The fund may invest a portion of its assets in securities of companies located outside the U.S. and Canada.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk

- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, one investor held approximately 11.3% of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of U.S. companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 25.52	80.46	141.03	321.02
Series F units	$ 13.94	43.95	77.03	175.34

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Canadian and U.S. Equity Funds

Scotia U.S. Dividend Fund

Fund details

Fund type	U.S. equity fund
Start date	Series A units: November 26, 2012 Series I units: November 27, 2012
Type of securities	Series A and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund aims to achieve a high level of total investment return, consisting of dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor identifies companies with a consistent history of paying and/or growing dividends that offer good value and the potential for growth in their industry.

The portfolio advisor uses techniques such as fundamental analysis to assess growth potential and valuation. This means evaluating the financial condition, competitiveness, and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor:

- analyzes financial data and other information sources
- assesses the quality of management
- conducts company interviews, where possible

When deciding to buy or sell an investment, the portfolio advisor considers whether the investment is a good value relative to its current price.

The fund may invest 10% of its assets in equity securities listed outside the U.S., including American depository receipts of companies domiciled outside of the U.S.

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

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

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

This fund may from time to time invest a portion of its assets in securities of other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*. In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest this fund's assets in cash and cash equivalent securities.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- currency risk
- commodity risk
- derivatives risk
- equity risk
- foreign investment risk
- interest rate risk
- issuer-specific risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of large U.S. companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 23.47	74.00	129.70	295.24
Series I units	$ 0.31	0.97	1.70	3.87

Canadian and U.S. Equity Funds

Scotia U.S. Opportunities Fund

Fund details

Fund type	U.S. equity fund
Start date	Series A units: December 15, 2000 Series F units: April 18, 2001 Series I units: April 23, 2007
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify companies that are priced below their estimated intrinsic value. This involves evaluating the financial condition and management of each company relative to its industry and sector peers. The fund's assets are diversified by industry and company to help reduce risk.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets and/or generate income, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 100% of its assets in foreign securities. The fund may invest a portion of its assets in securities of companies located outside the U.S. and Canada.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of large U.S. companies

- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 26.96	84.98	148.96	339.07
Series F units	$ 15.07	47.50	83.26	189.52
Series I units	$ 1.23	3.88	6.80	15.47

International Equity Funds

Scotia European Fund

Fund details

Fund type	Geographic equity fund
Start date	Series A units: September 3, 1996 Series F units: September 15, 2004 Series I units: November 5, 2008
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Hermes European Equities Limited London, England

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 60% of its assets in a single country. The fund can invest up to 100% of its assets in foreign securities. It holds securities denominated in a variety of currencies to hedge against volatility in foreign exchange markets.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of European companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 27.37	86.28	151.22	344.23
Series F units	$ 15.38	48.47	84.96	193.29

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

International Equity Funds

Scotia International Value Fund

Fund details

Fund type	International equity fund
Start date	Series A units: December 15, 2000 Series F units: November 13, 2001 Series I units: April 23, 2007
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in a broadly diversified portfolio consisting primarily of equity securities of businesses located in Europe, Australasia and the Far East. The fund may invest a portion of its assets in securities of companies in emerging markets. Based on the portfolio advisor's view of the global capital markets, the fund may invest from time to time in a limited number of countries and areas of the world.

Investment analysis for the fund follows a bottom-up approach which emphasizes careful company specific analysis. Using a value investment approach, the portfolio advisor invests in companies that represent good value based on current stock price relative to the company's intrinsic value.

Techniques such as fundamental analysis may be used to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor may:

- analyze financial data and other information sources
- assess the quality of management
- conduct company interviews, where possible

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulation.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk

- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of large foreign companies
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 28.29	89.18	156.32	355.83
Series F units	$ 17.32	54.61	95.72	217.88
Series I units	$ 0.82	2.59	4.53	10.31

International Equity Funds

Scotia Latin American Fund

Fund details

Fund type	Geographic equity fund
Start date	Series A units: October 13, 1994 Series F units: March 1, 2004 Series I units: June 20, 2005
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Scotia Inverlat Casa de Bolsa, S.A. De C.V., Grupo Financiero Scotiabank Inverlat Mexico City, Mexico

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The fund can invest up to 75% of its assets in a single country. The fund can invest up to 100% of its assets in foreign securities. It holds securities denominated in a variety of currencies to hedge against volatility in foreign exchange markets.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of Latin American companies
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 26.55	83.69	146.69	333.91

No information is available for Series F or Series I units of the fund as these series were not operational at the end of the last completed financial year.

International Equity Funds

Scotia Pacific Rim Fund

Fund details

Fund type	Geographic equity fund
Start date	Series A units: October 13, 1994 Series F units: February 27, 2004 Series I units: June 20, 2005
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in equity securities of businesses located in or with operations primarily based in, the Pacific Rim which includes Australia, the People's Republic of China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, South Korea, Taiwan, Thailand, Bangladesh and Vietnam. Based on the portfolio advisor's view of the Pacific Rim capital markets, the fund may from time to time hold substantial investments in one or only a few of these countries.

Investment analysis for the fund follows a bottom-up approach, which emphasizes careful company specific analysis. Using a value investment approach, the portfolio advisor invests in companies that represent good value based on current stock price relative to the company's intrinsic value.

Techniques such as fundamental analysis are used to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor may:

- analyze financial data and other information sources
- assess the quality of management
- conduct company interviews, where possible

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk

- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of companies in the Pacific Rim
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 27.16	85.63	150.09	341.65

No information is available for Series F or Series I units of the fund as these series were not operational at the end of the last completed financial year.

International Equity Funds

Scotia Private Emerging Markets Pool

Fund details

Fund type	International equity fund
Start date	Pinnacle Series units: October 15, 2010 Series I units: October 4, 2010 Series M units: October 15, 2010
Type of securities	Pinnacle Series, Series I and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	LMCG Investments, LLC Boston, Massachusetts

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long term returns through capital growth by investing primarily in equity and equity-related securities of companies located in emerging markets and emerging industries of any market.

Any change to the investment objectives must be approved by a majority of votes cast at a meeting of unitholders held for that purpose.

Investment strategies

The fund uses a growth-oriented investment style to achieve its investment objectives.

The portfolio advisor analyzes the global economy and the economies and industries of various emerging markets. Based on this analysis, it identifies the countries and then the companies that it believes offer the potential for growth. The portfolio advisor uses techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of a company, its industry and the overall economy through due diligence, including meetings with companies' management, financial statement analysis and modeling. The Portfolio Advisor also focuses on the upside potential versus the downside risk of each security.

The fund may temporarily hold cash or fixed income securities for strategic reasons.

The fund may use derivatives for foreign currency hedging purposes and to provide more effective exposure while reducing transaction costs.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information on securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Growth Portfolio, Scotia INNOVA Balanced Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio held approximately 28.7%, 20.9% and 13.6%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- You are seeking exposure to emerging market equities
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient net income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 2.56	8.08	14.16	32.23
Series I units	$ 0.82	2.59	4.53	10.31
Series M units	$ 8.92	28.11	49.27	112.16

International Equity Funds

Scotia Private International Core Equity Pool

Fund details

Fund type	International equity fund
Start date	Series I units: November 24, 2008 Series K units: July 13, 2016 Series M units: August 22, 2005
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify companies that are priced below their estimated intrinsic value. This involves evaluating the financial condition and management of each company relative to its industry and sector peers. The fund's assets are diversified by industry and company to help reduce risk.

The fund generally will not invest more than 20% of its assets in emerging markets.

The fund may invest in other mutual funds that are managed by us or by other mutual fund managers. You will find more information about investing in other mutual funds under *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of funds risk
- income trust risk
- interest rate risk
- issuer specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk

- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of companies located outside of North America
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Series M units	$	3.18	10.02	17.56	39.97

No information is available for Series I or Series K units of the fund as these series were not operational at the end of the last completed financial year.

International Equity Funds

Scotia Private International Equity Pool

Fund details

Fund type	International equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: January 22, 2009
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Strategic Global Advisors, LLC Newport Beach, California

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve long term returns through capital growth by investing primarily in large capitalization stocks of companies in Europe, Australia and the Far East.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund varies its investment style as considered appropriate for each country or region in order to achieve its investment objectives, including amongst value oriented, growth-oriented investment styles and growth at a reasonable price.

The fund may invest up to 15% of its assets in cash and cash equivalents and up to 10% of its assets in securities of issuers in emerging markets.

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information on securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio, Scotia INNOVA Growth Portfolio and Scotia INNOVA Balanced Income Portfolio held approximately 25.8%, 18.3% and 11.8%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of foreign equity securities while tracking the performance of major market indexes

- you already have sufficient Canadian and U.S. investments and are seeking geographic diversification outside of North America
- you want some currency diversification outside of North America
- you are investing for the long term
- you can accept medium to high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	2.77	8.72	15.29	34.81
Series F units	$	11.99	37.81	66.27	150.84
Series I units	$	0.51	1.62	2.83	6.45

International Equity Funds

Scotia Private International Small to Mid Cap Value Pool

Fund details

Fund type	International equity fund
Start date	Pinnacle Series units: February 14, 2002 Series F units: February 17, 2009 Series I units: October 12, 2010
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Victory Capital Management Birmingham, Michigan

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization corporations in Europe, Australia and the Far East.

Any changes to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a value-oriented investment style to achieve its investment objectives.

The fund may invest up to 15% of its assets in cash and cash equivalents.

The fund may use derivatives for foreign currency hedging purposes and to provide more effective exposure while reducing transaction costs.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

Stock prices of small and medium capitalization companies are typically more volatile due to size and shorter trading history.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you are seeking exposure to non-North American small to medium sized companies with value characteristics
- you want some currency diversification outside of North America

- you want an international small to mid cap value holding in a diversified portfolio
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient net income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	5.74	18.10	31.72	72.20
Series F units	$	12.61	39.75	69.66	158.58
Series I units	$	1.13	3.55	6.23	14.18

Global Equity Funds

Scotia Global Dividend Fund

Fund details

Fund type	Global equity fund
Start date	Series A units: August 30, 2010 Series I units: September 13, 2010
Type of securities	Series A and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

This fund aims to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor identifies companies that have the potential for success in their industry and then considers the impact of economic trends.

The portfolio advisor uses techniques such as fundamental analysis to assess growth potential and valuation. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor:

- analyzes financial data and other information sources
- assesses the quality of management
- conducts company interviews, where possible

When deciding to buy or sell an investment, the portfolio advisor considers whether the investment is a good value relative to its current price.

The portfolio advisor normally diversifies the fund's investments across different countries and regions, and this may vary from time to time, depending upon the portfolio advisor's view of specific investment opportunities and macroeconomic factors.

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

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

This fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor may invest this fund's assets in cash and cash equivalent securities. The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lower the fund's returns.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the

limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Selected Balanced Growth Portfolio, Scotia Selected Growth Portfolio and Scotia Selected Balanced Income Portfolio held approximately 23.6%, 18.9% and 14.7%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want both dividend income and the potential for capital appreciation through companies from anywhere in the world
- you can accept to medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 23.88	75.29	131.97	300.39
Series I units	$ 0.62	1.94	3.40	7.74

Global Equity Funds

Scotia Global Growth Fund

Fund details

Fund type	Global equity fund
Start date	Series A units: February 20, 1961 Series F units: May 16, 2011 Series I units: April 23, 2007
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Baillie Gifford Overseas Limited

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor uses fundamental analysis to identify investments that have the potential for above-average growth over the long term. This involves evaluating the financial condition and management of each company, as well as its industry and the economy. The fund's assets are diversified by industry and company to help reduce risk.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Partners Growth Portfolio, Scotia Selected Balanced Growth Portfolio, Scotia Selected Growth Portfolio and Scotia Partners Balanced Growth Portfolio held approximately 21.6%, 16.4%, 13.8% and 13.4%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of companies around the world
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 25.42	80.14	140.46	319.73
Series F units	$ 14.15	44.59	78.16	177.92
Series I units	$ 0.41	1.29	2.27	5.16

Global Equity Funds

Scotia Global Opportunities Fund

Fund details

Fund type	Global equity fund
Start date	Series A units: December 15, 2000 Series F units: May 16, 2001 Series I units: April 23, 2007
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund invests in a broad range of securities from around the world, including smaller capitalization companies. At times, the fund may invest the majority of its assets in equity securities of small capitalization companies.

The portfolio advisor utilizes investment analysis for the fund that follows a bottom-up approach, which emphasizes careful company specific analysis. Using a value investment approach, the fund invests in companies that represent good value on current stock price relative to the company's intrinsic value.

Techniques such as fundamental analysis may be used to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor may:

- analyze financial data and other information sources
- assess the quality of management
- conduct company interviews, where possible

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging market risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk

- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Selected Balanced Growth Portfolio, Scotia Selected Growth Portfolio and Scotia Selected Maximum Growth Portfolio held approximately 37.7%, 35.6% and 13.5%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in a more concentrated portfolio of equity securities from around the world
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 29.11	91.77	160.85	366.15
Series F units	$ 17.53	55.26	96.85	220.46
Series I units	$ 0.72	2.26	3.96	9.02

Global Equity Funds

Scotia Global Small Cap Fund

Fund details

Fund type	Global equity fund
Start date	Series A units: December 15, 2000 Series F units: October 29, 2003 Series I units: April 23, 2007
Type of securities	Series A, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund represents a more actively traded portfolio of equity securities chosen according to a growth investment approach. The portfolio advisor utilizes an approach that seeks to identify companies demonstrating the strongest earnings growth relative to the overall market and relatives to their peer group.

The portfolio advisor:

- may invest a majority of the fund's assets in equity securities of small and mid capitalization companies
- will select investments by identifying securities that are deemed to offer potential for growth above the securities of comparable companies in the same industry
- will assess the financial parameters of a company, its market share and role in its industry, as well as the economic state of its industry; measures, such as earnings, price/earnings multiples and market share growth, may be used to evaluate investments
- may conduct management interviews with companies to determine the corporate strategy and business plan, as well as to evaluate management capabilities

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk

- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia Selected Growth Portfolio, Scotia Selected Balanced Growth Portfolio and Scotia Selected Maximum Growth Portfolio held approximately 42.3%, 30.1% and 13.3%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of investing in equity securities of smaller global companies
- you can accept high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 28.60	90.15	158.02	359.70
Series F units	$ 17.22	54.29	95.15	216.59
Series I units	$ 1.23	3.88	6.80	15.47

Global Equity Funds

Scotia Private Global Equity Pool

Fund details

Fund type	Global equity fund
Start date	Pinnacle Series units: October 6, 1997 Series F units: February 17, 2009 Series I units: January 22, 2009
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Harding Loevner LP Somerville, New Jersey

What does the fund invest in?

Investment objectives

The fund's investment objective is to achieve long term returns through capital growth by investing primarily in stocks of large capitalization companies in North America, Europe, Australia and the Far East.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a fundamental growth-oriented investment style.

The fund may invest up to 10% of its assets in securities of issuers in emerging markets and up to 15% of its assets in cash and cash equivalents.

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns will vary with changes in stock prices.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio, Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio held approximately 31.0%, 27.6% and 10.4%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you are seeking wide geographic diversification
- you want some currency diversification

- you are investing for the long term
- you can accept medium to high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient net income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Pinnacle Series units	$ 3.49	10.99	19.26	43.83
Series F units	$ 12.61	39.75	69.66	158.58
Series I units	$ 0.41	1.29	2.27	5.16

Global Equity Funds

Scotia Private Global Low Volatility Equity Pool

Fund details

Fund type	Global equity fund
Start date	Series M units: November 14, 2016
Type of securities	Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montreal, Quebec

What does the fund invest in?

Investment objectives

The fund's objective is to achieve long-term capital growth while seeking to provide lower volatility than the broad global markets. It invests primarily in equity securities of companies around the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of the voting unitholders called for that purpose.

Investment strategies

To achieve its mandate, the fund is managed using a quantitative global equity strategy that seeks to provide index level of returns at lower than index level of risk. The fund seeks to reduce volatility of returns while maintaining equity growth potential over the long term.

To achieve the fund's objectives, the portfolio advisor:

- invests in equity securities of companies located in countries around the world
- invests in stocks that have a lower systematic risk and low correlation with other asset classes
- uses a quantitative investment process that seeks to maximize equity growth while controlling for risk exposure

The portfolio advisor may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies. It will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund may also engage in short selling as permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to *Short selling risk*.

The fund may hold cash, and may invest in fixed income securities of any quality or term and other income producing securities. The portfolio advisor selects the quality and term of each investment according to market conditions.

The fund may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

The portfolio advisor may engage in active or frequent trading of investments. This increases the possibility that an investor will receive taxable distributions. This can also increase trading costs, which lowers the fund's returns.

What are the risks of investing in the fund?

The main risks of investing in the fund include the following:

- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk

- foreign investment risk
- fund-of-funds risk
- income trust risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this Fund?

This fund may be suitable for you if:

- you want long term growth
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of the Fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

No information is available for this fund as it was not operational at the end of the last completed financial year.

Global Equity Funds

Scotia Private Global Real Estate Pool

Fund details

Fund type	Sector equity fund
Start date	Pinnacle Series units: February 14, 2002 Series F units: February 17, 2009 Series I units: January 22, 2009
Type of securities	Pinnacle Series, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	Delaware Investment Advisers Philadelphia, Pennsylvania

What does the fund invest in?

Investment objectives

The fund's objective is to achieve superior long term returns through income and capital growth, by investing primarily in U.S., Canadian and non-North American real estate stocks and real estate investment trusts ("REITs").

Any change to the fundamental investment objectives of the fund must be approved by the majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund's investments may consist of the following:

- investing up to 100% of its assets in REITs
- investing up to 15% of its assets in cash and cash equivalents

The fund may use derivatives for foreign currency hedging purposes only.

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

The fund may participate in securities lending, repurchase and reverse repurchase transactions to achieve its investment objectives and to enhance returns. You will find more information about securities lending, repurchase and reverse repurchase transactions and how the fund limits the risks associated with them under *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

What are the risks of investing in the fund?

Returns may vary with changes in interest rates and stock prices.

Returns may be affected by factors such as global economic and political conditions and the state of foreign markets.

Prices of equity securities tend to fluctuate more than those of fixed income securities, resulting in greater price fluctuations than would be expected of our Money Market Fund or Bond Funds.

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details of each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Growth Portfolio and Scotia INNOVA Balanced Growth Portfolio held approximately 22.3% and 11.0%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you seek long term capital growth and income from real estate securities denominated in a variety of currencies
- you seek diversification of your investment portfolio through an investment in real estate securities
- you are investing for the long term
- you can accept high risk

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient net income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over		1 year	3 years	5 years	10 years
Pinnacle Series units	$	1.23	3.88	6.80	15.47
Series F units	$	12.61	39.75	69.66	158.58
Series I units	$	0.31	0.97	1.70	3.87

Index Funds

Scotia Canadian Bond Index Fund

Scotia Canadian Index Fund

Scotia International Index Fund

Scotia Nasdaq Index Fund

Scotia U.S. Index Fund

Scotia Canadian Bond Index Fund

Fund details

Fund type	Fixed income fund
Start date	Series A units: November 8, 1999 Series D units: March 27, 2015 Series F units: September 18, 2003 Series I units: June 20, 2005
Type of securities	Series A, Series D, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montréal, Québec

What does the fund invest in?

Investment objectives

The fund's objective is to provide a high level of regular interest income and modest capital gains by tracking the performance of a generally recognized Canadian bond index, currently the FTSE TMX Canada Universe Bond Index. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the FTSE TMX Canada Universe Bond Index as closely as possible by:

- investing in fixed income securities that have similar characteristics to the securities that are included in the FTSE TMX Canada Universe Bond Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs

The portfolio advisor may use derivatives such as options, futures and swaps to adjust the fund's average term to maturity, to adjust credit risk, to gain exposure to income producing securities and to hedge against changes in interest rates, and will only use derivatives as permitted by securities regulations.

The fund will not invest any of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- fund-of-funds risk
- income trust risk
- index risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk

- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want a high level of regular interest income while tracking the performance of a major Canadian bond index
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 8.71	27.47	48.14	109.59
Series D units	$ 6.46	20.36	35.68	81.22
Series F units	$ 4.51	14.22	24.92	56.73

No information is available for Series I units of the fund as this series was not operational at the end of the last completed financial year.

Scotia Canadian Index Fund

Fund details

Fund type	Canadian equity fund
Start date	Series A units: December 31, 1996 Series D units: December 22, 2014 Series F units: May 11, 2009 Series I units: June 20, 2005
Type of securities	Series A, Series D, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montréal, Québec

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index.[1] It invests primarily in the stocks that are included in the index.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the S&P/TSX Composite Index as closely as possible by:

- investing in the stocks that are included in the S&P/TSX Composite Index in substantially the same proportion as they are weighted in the S&P/TSX Composite Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to gain exposure to the S&P/TSX Composite Index, and will only use derivatives as permitted by securities regulations.

[1] The S&P/TSX Composite Index is published by the Toronto Stock Exchange and Standard & Poor's. Standard & Poor's, a division of the McGraw-Hill Companies Inc., and the Toronto Stock Exchange have no connection with the Manager and have not passed upon the merits of investing in the fund.

The fund will not invest any of its assets in foreign securities.

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- fund-of-funds risk
- income trust risk
- index risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk

- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of Canadian equity securities while tracking the performance of a major market index
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 10.25	32.31	56.64	128.92
Series D units	$ 8.10	25.53	44.74	101.85
Series F units	$ 6.36	20.03	35.12	79.93

No information is available in Series I units of the fund as this series was not operational at the end of the last completed financial year.

Scotia International Index Fund

Fund details

Fund type	International equity fund
Start date	Series A units: November 8, 1999 Series D units: March 27, 2015 Series F units: October 25, 2010 Series I units: April 28, 2003
Type of securities	Series A, Series D, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montréal, Québec

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It invests primarily in futures contracts that are linked to the performance of the indexes, and in cash and money market instruments.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund currently tracks the performance of indexes of established stock markets in Europe, Australasia and the Far East. The portfolio advisor aims to track the performance of the indexes as closely as possible by using futures contracts that are linked to the performance of these indexes. It invests the balance of its assets in cash and money market instruments. This allows the fund to cover its positions in the futures contracts. It will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- index risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you hold your units in a Registered Plan
- you want the growth potential of foreign equity securities while tracking the performance of major market indexes
- you can accept medium to high risk
- you are investing for the long term

This fund is not suitable for non-registered accounts. The fund's distributions are primarily considered income, which is taxed at a higher rate than capital gains when received outside of a Registered Plan.

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 12.92	40.71	71.36	162.44
Series D units	$ 11.17	35.22	61.74	140.53

Scotia Nasdaq Index Fund

Fund details

Fund type	Sector equity fund
Start date	Series A units: December 15, 2000 Series D units: March 27, 2015 Series F units: May 26, 2010
Type of securities	Series A, Series D and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montréal, Québec

What does the fund invest in?

Investment objectives

The fund's objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index.[1] It invests primarily in derivatives that are linked to the performance of the Nasdaq 100 Index, and in cash and money market instruments.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund aims to track the performance of the Nasdaq 100 Index as closely as possible by using derivatives such as options, futures, forward contracts and swaps that are linked to the performance of the Nasdaq 100 Index.

The fund invests the balance of its assets in cash and money market instruments. This allows the fund to cover its positions in the derivatives. It will only use derivatives as permitted by securities regulations.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk.*

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- index risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

[1] The Nasdaq 100 Index is published by The Nasdaq Stock Market, Inc. The Nasdaq Stock Market, Inc. has no connection with the Manager and has not passed upon the merits of investing in the fund.

Who should invest in this fund?

This fund may be suitable for you if:

- you hold your units in a Registered Plan
- you want the growth potential of investing in U.S. equity securities while tracking the performance of a major market index
- you can accept high risk
- you are investing for the long term

This fund is not suitable for non-registered accounts. The fund's distributions are primarily considered income, which is taxed at a higher rate than capital gains when received outside of a Registered Plan.

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 11.69	36.84	64.57	146.97
Series D units	$ 9.33	29.41	51.54	117.32
Series F units	$ 7.89	24.88	43.61	99.27

Scotia U.S. Index Fund

Fund details

Fund type	U.S. equity fund
Start date	Series A units: December 31, 1996 Series D units: March 27, 2015 Series F units: October 19, 2011 Series I units: June 20, 2005
Type of securities	Series A, Series D, Series F and Series I units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario
Sub-advisor	State Street Global Advisors, Ltd. Montréal, Québec

What does the fund invest in?

Investment objectives

The fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 (S&P 500) Index.[1] It invests primarily in the stocks that are included in the index.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio advisor aims to track the performance of the S&P 500 Index as closely as possible by:

- investing in the stocks that are included in the S&P 500 Index in substantially the same proportion as they are weighted in the Index
- keeping the portfolio as fully invested as possible
- minimizing transaction costs

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to gain exposure to the S&P 500 Index, and will only use derivatives as permitted by securities regulations.

[1] The S&P 500 Index is published by Standard & Poor's, a division of the McGraw-Hill Companies Inc. Standard & Poor's has no connection with the Manager and has not passed upon the merits of investing in the fund.

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

The fund may participate in repurchase, reverse repurchase and securities lending transactions to achieve the fund's overall investment objectives and to enhance the fund's returns. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Securities lending risk* and *Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- index risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk

- short selling risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

Who should invest in this fund?

This fund may be suitable for you if:

- you want the growth potential of U.S. equity securities while tracking the performance of a major market index
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the fund, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 11.07	34.90	61.17	139.24
Series D units	$ 8.71	27.47	48.14	109.59
Series F units	$ 7.07	22.30	39.08	88.96

Specialty Fund

Scotia Private Options Income Pool

Scotia Private Options Income Pool

Fund details

Fund type	Specialty fund
Start date	Series I units: June 24, 2015 Series K units: July 13, 2016 Series M units: July 13, 2015
Type of securities	Series I, Series K and Series M units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The fund's investment objective is to seek high income and long-term capital appreciation primarily by writing put options on equity securities to collect premiums, investing directly in equity securities and/or writing call options on these securities.

Any change to the fundamental investment objectives of the fund must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The fund uses a broad range of equity and options strategies to produce long-term capital appreciation and preserve capital. The investment process is primarily based on fundamental analysis and is further enhanced by proprietary options and volatility analysis.

The fund will seek attractive investment candidates using fundamental analysis and evaluate the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor will analyze financial data and other information sources, assess the quality of management and conduct company interviews, where possible.

Once a security has been identified as an attractive investment, the fund may purchase the security or, if the portfolio advisor would like to own the security at a lower price, the portfolio advisor could consider writing cash covered puts at such lower price if the puts are attractively priced. The portfolio advisor appraises the attractiveness of the puts using proprietary options and volatility analysis. The process includes determining if the implied volatility priced into the puts by the market is rich relative to the portfolio advisor's expectations. As part of this strategy, the fund may acquire equity securities directly as a result of such securities being assigned to it by holders of puts written by the fund.

The fund may also engage in covered call writing. If the fund owns an equity security and the portfolio advisor would like to sell the security at an internal target price derived through fundamental analysis, the portfolio advisor could consider writing covered calls if the calls are attractively priced. The portfolio advisor appraises the attractiveness of the calls using proprietary options and volatility analysis.

The allocations between direct investment in equity securities and various options strategies will depend on economic and market conditions.

A combination of fundamental and volatility analysis provides the framework for these investment strategies.

The portfolio advisor may also choose to:

- invest up to 100% of the fund's assets in foreign securities;
- use warrants, securities of exchange-traded funds ("ETFs") and derivatives such as options, forward contracts, futures contracts and swaps to:
    - hedge against losses from changes in the prices of the fund's investment and from exposure to foreign currencies; and/or
    - gain exposure to individual securities and markets instead of buying the securities directly; and/or
    - generate income; and
- hold cash or fixed income securities for strategic reasons.

The fund will not invest more than 10% of the net asset value of the fund in emerging markets.

The fund may use derivatives as part of its investment strategies. The fund will only use derivatives as permitted by securities regulations and comply with all applicable requirements of securities and tax legislation with respect to the use of derivatives. A derivative is generally a contract between two parties to buy or sell an asset at a later time. The value of the contract is based on or derived from an underlying asset such as a stock, a market index, a currency, a commodity or a basket of securities. It is not a direct investment in the underlying asset itself. Derivatives may be traded on a stock exchange or in the over-the-counter market. For a description of the different types of derivatives and

the risks associated, please see *About the fund descriptions – About derivatives*.

There are several risks associated with the fund's use of derivatives which are described in this document under *What is a mutual fund and what are the risks of investing in a mutual fund?*. The fund may use derivatives to hedge its investments against losses from factors like currency fluctuations, stock market risks and interest rate changes, or to invest indirectly in securities or financial markets, provided the investment is consistent with the fund's investment objectives. If the fund uses derivatives for purposes other than hedging, it will do so within the limits of applicable securities regulations.

The fund may invest in underlying funds that are managed by us, or one of our affiliates or associates, or by other investment fund managers. For more information see *Investing in underlying funds*.

The fund may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *What are the risks? – Repurchase and reverse repurchase transaction risk*.

The fund and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *What are the risks? – Short selling risk*.

The fund may invest in gold and silver when deemed appropriate by the portfolio advisor. The fund has received the approval of the Canadian securities regulators to permit the fund to invest up to 10% of its net assets, taken at the market value thereof at the time of investment, in gold (including Gold ETFs) and silver (or the equivalent in certificates or specified derivatives of which the underlying interest is gold or silver).

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

As at October 24, 2016, Scotia INNOVA Balanced Growth Portfolio and Scotia INNOVA Balanced Income Portfolio held approximately 17.8% and 13.3%, respectively, of the outstanding units of the fund.

Who should invest in this fund?

This fund may be suitable for you if you:

- want to seek high income and long-term capital appreciation
- can accept medium risk
- are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distribution may be adjusted throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions will always be reinvested in additional units of the fund unless you notify us that you want to receive cash distributions by deposit to your account with the Manager.

Fund expenses indirectly borne by investors

This example shows the fund's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series I units	$ 0.82	2.59	4.53	10.31
Series M units	$ 2.26	7.11	12.46	28.36

No information is available for Series K units of the fund as this series was not operational at the end of the last completed financial year.

Portfolio Solutions

Scotia Selected Portfolios

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 Portfolios

Scotia Partners Income Portfolio

Scotia Partners Balanced Income Portfolio

Scotia Partners Balanced Growth Portfolio

Scotia Partners Growth Portfolio

Scotia Partners Maximum Growth Portfolio

Scotia INNOVA Portfolios

Scotia INNOVA Income Portfolio

Scotia INNOVA Balanced Income Portfolio

Scotia INNOVA Balanced Growth Portfolio

Scotia INNOVA Growth Portfolio

Scotia INNOVA Maximum Growth Portfolio

Scotia Aria Portfolios

Scotia Aria Conservative Build Portfolio

Scotia Aria Conservative Core Portfolio

Scotia Aria Conservative Pay Portfolio

Scotia Aria Moderate Build Portfolio

Scotia Aria Moderate Core Portfolio

Scotia Aria Moderate Pay Portfolio

Scotia Aria Progressive Build Portfolio

Scotia Aria Progressive Core Portfolio

Scotia Aria Progressive Pay Portfolio

Pinnacle Portfolios

Pinnacle Income Portfolio

Pinnacle Balanced Portfolio

Pinnacle Growth Portfolio

Scotia Selected Portfolios

Scotia Selected Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: November 26, 2012
Type of securities	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by us or by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities. The portfolio will primarily invest in funds that invest in fixed income securities, equity securities of companies that pay dividends or are expected to pay dividends, and other securities that are expected to distribute income.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	75%
Equities	25%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 50% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risks
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 22.5% of the net assets of the portfolio were invested in Dynamic Canadian Bond Fund Series O, up to 18.8% of the net assets of the portfolio were invested in Dynamic Aurion Total Return Bond Fund Series O, up to 18.7% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 15.0% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards income, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

The fund intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 fund will not have any liability for income tax under Part I of the Tax Act. The distributions may consist of net income, net realized capital gains and/or return of capital. The amount of the distributions will change throughout the year as conditions change. If the amount distributed exceeds the net income and net realized capital gains of the fund for a year, the excess distribution will be a return of capital. A return of capital is not taxable but generally will reduce the adjusted cost base of your units for tax purposes.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.48	61.40	107.61	244.96

Scotia Selected Portfolios

Scotia Selected Balanced Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: April 28, 2003 Series F units: April 28, 2003
Type of securities	Series A and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	65%
Equities	35%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 60% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 19.6% of the net assets of the portfolio were invested Dynamic Canadian Bond Fund Series O, up to 19.5% of the net assets of the portfolio were invested Dynamic Aurion Total Return Bond Fund Series O, up to 16.4% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 13.1% of the net assets for the portfolio were invested in the Scotia Private Canadian Corporate Bond Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards income, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 18.96	59.76	104.78	238.51
Series F units	$ 8.30	26.17	45.88	104.43

Scotia Selected Portfolios

Scotia Selected Balanced Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: April 28, 2003 Series F units: June 5, 2008
Type of securities	Series A and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	45%
Equities	55%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 80% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 12.6% of the net assets of the portfolio were invested in Dynamic Aurion Total Return Bond Fund Series O, up to 12.0% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I, up to 11.5% of the net assets of the portfolio were invested in CI Signature Corporate Bond Fund Class I, up to 11.2% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund Series I and up to 10.2% of the net assets of the portfolio were invested in the Scotia Global Growth Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 20.71	65.27	114.41	260.43

No information is available for Series F units of the portfolio as this series was not operational at the end of the last completed financial year.

Scotia Selected Portfolios

Scotia Selected Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: April 28, 2003 Series F units: August 22, 2011
Type of securities	Series A and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	25%
Equities	75%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 12.3% of the net assets of the portfolio were invested in Dynamic Aurion Total Return Bond Fund Series O, up to 12.3% of the net assets of the portfolio were invested in Scotia Canadian Dividend Fund Series I, up to 12.1% of the net assets of the portfolio were invested in Scotia Global Growth Fund Series I and up to 11.2% of the net assets of the portfolio were invested in Scotia Global Dividend Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards capital appreciation, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 22.35	70.44	123.47	281.05
Series F units	$ 10.66	33.61	58.90	134.08

Scotia Selected Portfolios

Scotia Selected Maximum Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: April 28, 2003 Series F units: April 28, 2003
Type of securities	Series A and Series F units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by us and by other mutual fund managers.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	10%
Equities	90%

The underlying funds in which the portfolio invests may change from time to time, but in general, we will keep the asset class weighting between 70% to 100% for equities and up to 30% for fixed income. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 15.1% of the net assets of the portfolio were invested in Scotia Global Growth Fund Series I, up to 12.4% of the net assets of the portfolio were invested in Dynamic Value Fund of Canada Series O and up to 11.9% of the net assets of the portfolio were invested in Scotia Global Opportunities Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with an emphasis on capital appreciation, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

The fund will distribute, in each taxation year of the fund, sufficient income and net realized capital gains so that it will not have any liability for 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 24.81	78.20	137.06	312.00
Series F units	$ 13.33	42.01	73.63	167.60

Scotia Partners Portfolios

Scotia Partners Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: August 23, 2010 Series T units: April 5, 2016
Type of securities	Series A and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities. The portfolio will primarily invest in funds that invest in fixed income securities, equity securities of companies that pay dividends or are expected to pay dividends, and other securities that are expected to distribute income.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	75%
Equities	25%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 40% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- share class risk

- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016,up to 18.9% of the net assets of the portfolio were invested in Dynamic Canadian Bond Fund Series O, up to 18.9% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I, up to 17.0% of the net assets of the portfolio were invested in Dynamic Aurion Total Return Bond Fund Series O and up to 11.1% of the net assets of the portfolio were invested in PIMCO Monthly Income Fund (Canada) Class I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards income, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

For Series A units, the portfolio intends to make a distribution by the last business day of each month, other than December. The final distribution in respect of each taxation year 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 income tax under Part I of the Tax Act.

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 income tax under Part I of the Tax Act.

The Series T 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. Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the fund's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations* for investors for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.01	66.24	116.11	264.29

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.

Scotia Partners Portfolios

Scotia Partners Balanced Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: December 9, 2002 Series F units: March 1, 2010 Series T units: April 7, 2016
Type of securities	Series A, Series F and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	65%
Equities	35%

The underlying funds in which the portfolio invests may change from time to time, but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 60% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 16.2% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I, up to 12.8% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 10.1% of the net assets of the portfolio were invested in Dynamic Aurion Total Return Bond Fund Series O.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards income, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

For Series A and Series F 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 income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such 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 income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the fund's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.83	68.83	120.64	274.61
Series F units	$ 11.28	35.54	62.30	141.82

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.

Scotia Partners Portfolios

Scotia Partners Balanced Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: December 9, 2002 Series F units: February 7, 2003 Series T units: February 1, 2016
Type of securities	Series A, Series F and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	40%
Equities	60%

The underlying funds in which the portfolio invests may change from time to time but the target weighting for each asset will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 80% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 16.6% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 10.2% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

For Series A and Series F 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 income tax under part I of the Tax Act. Distributions will be paid of 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 Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the fund's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 23.47	74.00	129.70	295.24
Series F units	$ 12.51	39.42	69.10	157.20

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.

Scotia Partners Portfolios

Scotia Partners Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: December 9, 2002 Series F units: September 16, 2003 Series T units: May 3, 2016
Type of securities	Series A, Series F and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	25%
Equities	75%

The underlying funds in which the portfolio invests may change from time to time but the target weighting for each asset class will not be more than 20% above or below the amounts set out above. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 10.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with a bias towards capital appreciation, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

For Series A and Series F 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 income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such 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 times as may be determined by the Manager, to ensure that the portfolio will not have any liability for income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the fund's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 25.32	79.81	139.90	318.44
Series F units	$ 14.66	46.21	80.99	184.36

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.

Scotia Partners Portfolios

Scotia Partners Maximum Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: December 9, 2002 Series F units: June 17, 2004 Series T units: February 22, 2016
Type of securities	Series A, Series F and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by other mutual fund managers and by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	10%
Equities	90%

The underlying funds in which the portfolio invests may change from time to time, but in general, we will keep the asset class weighting between 70% to 100% for equities and up to 30% for fixed income. For more information see *Investing in underlying funds*.

Although up to 100% of the portfolio's assets may be invested in other mutual funds, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

The portfolio indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that underlying fund. The main risks of investing in this portfolio are:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- share class risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 12.6% of the net assets of the portfolio were invested in Dynamic Value Fund of Canada Series O and up to 10.6% of the net assets of the portfolio were invested in CI Cambridge Canadian Equity Corporate Class I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a core balanced holding with an emphasis on capital appreciation, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

For Series A and Series F 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 income tax under Part I of the Tax Act. Distributions will be paid or payable by December 31 of each year or at such 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 times as may be determined by the Manager, to ensure that the portfolio will not have any liability for income tax under Part I of the Tax Act.

The Series T 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 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the fund's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your registered investment professional that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 27.16	85.63	150.09	341.65
Series F units	$ 17.43	54.93	96.28	219.17

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.

Scotia INNOVA Portfolios

Scotia INNOVA Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: January 20, 2009 Series T units: January 11, 2010
Type of securities	Series A units and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	75%
Equities	25%

The underlying funds, equity securities and fixed income securities in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out above. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 40% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

To the extent that the portfolio invests in underlying funds, it indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. To the extent it invests directly in equity or fixed income securities, the portfolio will have the risks associated with investing directly in such equity or fixed income securities.

The risks applicable to the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk

- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 19.2% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I, up to 15.6% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I, up to 11.4% of the net assets of the portfolio were invested in Scotia Floating Rate Income Fund Series I and up to 11.4% of the net assets of the portfolio were invested in Scotia Total Return Bond LP Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a significant bias towards income, which is diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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 income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 18.86	59.46	104.21	237.22
Series T units	$ 18.76	59.13	103.65	235.93

Scotia INNOVA Portfolios

Scotia INNOVA Balanced Income Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: January 20, 2009 Series T units: January 11, 2010
Type of securities	Series A units and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	60%
Equities	40%

The underlying funds, equity securities and fixed income securities in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out above. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 60% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

To the extent that the portfolio invests in underlying funds, it indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. To the extent it invests directly in equity or fixed income securities, the portfolio will have the risks associated with investing directly in such equity or fixed income securities.

The risks applicable to the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk

- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 14.2% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 11.6% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards income, which is diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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 income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.99	63.01	110.44	251.40
Series T units	$ 20.09	63.33	111.01	252.69

Scotia INNOVA Portfolios

Scotia INNOVA Balanced Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: January 20, 2009 Series T units: January 11, 2010
Type of securities	Series A units and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	40%
Equities	60%

The underlying funds, equity securities and fixed income securities in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out above. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 80% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

To the extent that the portfolio invests in underlying funds, it indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. To the extent it invests directly in equity or fixed income securities, the portfolio will have the risks associated with investing directly in such equity or fixed income securities.

The risks applicable to the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk

- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 11.5% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards equity, which is diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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 income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 21.22	66.89	117.24	266.87
Series T units	$ 21.12	66.57	116.67	265.58

Scotia INNOVA Portfolios

Scotia INNOVA Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: January 20, 2009 Series T units: February 12, 2016
Type of securities	Series A and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is to achieve a balance of long term capital appreciation and current income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	25%
Equities	75%

The underlying funds, equity securities and fixed income securities in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out above. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

To the extent that the portfolio invests in underlying funds, it indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. To the extent it invests directly in equity or fixed income securities, the portfolio will have the risks associated with investing directly in such equity or fixed income securities.

The risks applicable to the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk

- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk.
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 10.6% of the net assets of the portfolio were invested in Scotia Private International Equity Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a significant bias towards equity, which is diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 22.45	70.77	124.04	282.34

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.

Scotia INNOVA Portfolios

Scotia INNOVA Maximum Growth Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A units: January 20, 2009 Series T units: March 18, 2016
Type of securities	Series A and Series T units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio's objective is long term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment primarily amongst various equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	10%
Equities	90%

The underlying funds, equity securities and fixed income securities in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class between 70% to 100% for equities and up to 30% for fixed income. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor may use derivatives such as options, futures, forward contracts and swaps to hedge against losses from changes in stock prices, commodity prices, market indexes or currency exchange rates and to gain exposure to financial markets, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 100% of its assets in foreign securities.

The portfolio and an underlying fund managed by us may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

What are the risks of investing in the fund?

To the extent that the portfolio invests in underlying funds, it indirectly has the same risks as the underlying funds it holds. The portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. To the extent it invests directly in equity securities, the portfolio will have the risks associated with investing directly in such equity securities.

The risks applicable to the portfolio include:

- asset-backed and mortgage-backed securities risk
- credit risk
- commodity risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk

- repurchase and reverse repurchase transaction risk
- securities lending risk
- short selling risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 11.4% of the net assets of the portfolio were invested in Scotia Private International Equity Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want an asset allocation with its primary holding in equities that are diversified by investment style, geography and market capitalization
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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 income tax under Part I of the Tax Act.

The Series T 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.

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 23.68	74.64	130.83	297.82

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.

Scotia Aria Portfolios

Scotia Aria Conservative Build Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Premium Series Units: November 24, 2014
Type of securities	Series A and Premium Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	70%
Equities	30%

To meet the portfolio's objective, the portfolio advisor will focus on generating long term capital appreciation through growth oriented strategies in both fixed income and equities. The portfolio may have exposure to, but is not limited to, growth oriented investments such as tactical fixed income, non-investment grade bonds, foreign debt obligations, preferred shares, small cap and emerging market equities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the portfolio's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 40% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the

underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 17.3% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I, up to 10.5% of the net assets of the portfolio were invested in PIMCO Monthly Income Fund (Canada) Class I, up to 10.5% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I and up to 10.4% of the net assets of the portfolio were invested in Scotia Private High Yield Income Pool Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a balanced holding with a bias towards fixed income
- you can accept low to medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

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 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 18.45	58.16	101.95	232.06
Premium Series units	$ 17.32	54.61	95.72	217.88

Scotia Aria Portfolios

Scotia Aria Conservative Core Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	70%
Equities	30%

To meet the portfolio's objective, the portfolio advisor will:

- invest in equity investments assessed to offer a higher level of stability than the broader market, primarily through low volatility strategies and other defensive strategies
- invest in fixed income investments that seek to reduce interest rate sensitivity primarily through floating rate and shorter term fixed income instruments

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the portfolio's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 40% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- interest rate risk
- issuer-specific risk
- income trust risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 18.6% of the net assets of the portfolio were invested in Scotia Private Short-Mid Government Bond Pool Series I, up to 18.5% of the net assets of the portfolio were invested in Scotia Floating Rate Income Fund Series I and up to 14.9% of the net assets of the portfolio were invested in Dynamic Canadian Bond Fund Series O.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards fixed income
- you can accept low to medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series 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 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act.

The dollar amount of the monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate

for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized distribution rate is expected to be approximately 1.5% for Series TL and Premium TL Series, 3% for Series T and Premium T Series, and 4.5% for Series TH and Premium TH Series of the average daily net asset value per unit of the Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 18.35	57.84	101.38	230.77
Series TL units	$ 18.25	57.52	100.82	229.49
Series T units	$ 18.25	57.52	100.82	229.49
Series TH units	$ 18.35	57.84	101.38	230.77
Premium Series units	$ 17.12	53.96	94.59	215.30
Premium TL Series units	$ 16.91	53.32	93.45	212.73
Premium T Series units	$ 17.02	53.64	94.02	214.01
Premium TH Series units	$ 16.50	52.02	91.19	207.57

Scotia Aria Conservative Pay Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and modest long term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	70%
Equities	30%

To meet the portfolio's objective, the portfolio advisor will primarily focus on generating a stable level of income through both equity and fixed income investments. The portfolio may have exposure to, but is not limited to, investments such as government and corporate bonds, high yield debt securities, high yield foreign debt securities, preferred shares, and dividend paying equity securities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 40% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to

purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 14.1% of the net assets of the portfolio were invested in Scotia Total Return Bond LP Series I, up to 14.1% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I, up to 10.8% of the net assets of the portfolio were invested in 1832 AM North American Preferred Share LP Series I, up to 10.6% of the net assets of the portfolio were invested in PIMCO Monthly Income Fund (Canada) Class I and up to 10.5% of the net assets of the portfolio were invested in Scotia Private Short-Mid Government Bond Pool Series I.

Who should invest in this fund?

This fund may be suitable for you if:

- you want a balanced holding with a bias towards fixed income
- you can accept low to medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series units, the portfolio will distribute, in each taxation year of the portfolio, sufficient income and net realized capital gains so that it will not have any liability for 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act.

The dollar amount of your monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate

for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized distribution rate is expected to be approximately 1.5% for Series TL and Premium TL Series, 3% for Series T and Premium T Series, and 4.5% for Series TH and Premium TH Series of the average daily net asset value per unit of the Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details...

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 18.45	58.16	101.95	232.06
Series TL units	$ 18.55	58.49	102.51	233.35
Series T units	$ 18.35	57.84	101.38	230.77
Series TH units	$ 18.66	58.51	103.08	234.64
Premium Series units	$ 17.32	54.61	95.72	217.88
Premium TL Series units	$ 17.32	54.61	95.72	217.88
Premium T Series units	$ 17.22	54.29	95.15	216.59
Premium TH Series units	$ 17.12	53.96	94.59	215.30

Scotia Aria Portfolios

Scotia Aria Moderate Build Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Premium Series Units: November 24, 2014
Type of securities	Series A and Premium Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long term capital appreciation with a secondary focus on income generation using a balanced approach to investing with a neutral asset mix of equity and fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	50%
Equities	50%

To meet the portfolio's objective, the portfolio advisor will focus on generating long term capital appreciation through growth oriented strategies in both fixed income and equities. The portfolio may have exposure to, but is not limited to, growth oriented investments such as tactical fixed income, non-investment grade bonds, foreign debt obligations, preferred shares, small cap and emerging market equities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the portfolio's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 60% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the

underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 12.4% of the net assets of the portfolio were invested in Scotia Canadian Income Fund Series I and up to 12.3% of the net assets of the portfolio were invested in Scotia Private High Yield Income Pool Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a neutral asset mix of equity and fixed income
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

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 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. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.48	61.40	107.61	244.96
Premium Series units	$ 18.25	57.52	100.82	229.49

Scotia Aria Portfolios

Scotia Aria Moderate Core Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets, with a neutral asset mix of equity and fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	50%
Equities	50%

To meet the portfolio's objective, the portfolio advisor will:

- invest in equity investments assessed to offer a higher level of stability than the broader market, primarily through low volatility strategies and other defensive strategies
- invest in fixed income investments that seek to reduce interest rate sensitivity primarily through floating rate and shorter term fixed income instruments

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 60% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 13.6% of the net assets of the portfolio were invested in Scotia Floating Rate Income Fund Series I and up to 10.9% of the net assets of the portfolio were invested in Dynamic Canadian Bond Fund Series O.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a neutral asset mix of equity and fixed income
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series units, the portfolio will distribute, in each taxation year of the portfolio, sufficient income and net realized capital gains so that it will not have any liability for 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act.

The dollar amount of your monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized

distribution rate is expected to be approximately 2% for Series TL and Premium TL Series, 4% for Series T and Premium T Series, and 6% for Series TH and Premium TH Series of the average daily net asset value per unit of the Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.27	60.75	106.48	242.38
Series TL units	$ 19.27	60.75	106.48	242.38
Series T units	$ 19.27	60.75	106.48	242.38
Series TH units	$ 19.37	61.07	107.05	243.67
Premium Series units	$ 18.14	57.19	100.25	228.20
Premium TL Series units	$ 18.55	58.49	102.51	233.35
Premium T Series units	$ 18.25	57.52	100.82	229.49
Premium TH Series units	$ 18.14	57.19	100.25	228.20

Scotia Aria Moderate Pay Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and moderate long term capital appreciation using a balanced approach to investing through a neutral mix of investments in income producing equity and fixed income securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	50%
Equities	50%

To meet the portfolio's objective, the portfolio advisor will primarily focus on generating a stable level of income through both equity and fixed income investments. The portfolio may have exposure to, but is not limited to, investments such as government and corporate bonds, high yield debt securities, high yield foreign debt securities, preferred shares, and dividend paying equity securities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 60% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to

purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 10.1% of the net assets of the portfolio were invested in Scotia Private Canadian Corporate Bond Pool Series I and up to 10.1% of the net assets of the portfolio were invested in PIMCO Monthly Income Fund (Canada) Class I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a neutral asset mix of equity and fixed income
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series 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 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act.

The dollar amount of your monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized distribution rate is expected to be approximately 2% for Series TL and Premium TL Series, 4% for Series T and Premium T Series, and 6% for Series TH and Premium TH Series of the average daily net asset value per unit of the Series TL,

Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 19.58	61.72	108.18	246.25
Series TL units	$ 19.78	62.36	109.31	248.82
Series T units	$ 19.37	61.07	107.05	243.67
Series TH units	$ 19.27	60.75	106.48	242.38
Premium Series units	$ 18.25	57.52	100.82	229.49
Premium TL Series units	$ 17.84	56.22	98.55	224.33
Premium T Series units	$ 18.14	57.19	100.25	228.20
Premium TH Series units	$ 18.14	57.19	100.25	228.20

Scotia Aria Portfolios

Scotia Aria Progressive Build Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Premium Series Units: November 24, 2014
Type of securities	Series A and Premium Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	30%
Equities	70%

To meet the portfolio's objective, the portfolio advisor will focus on generating long term capital appreciation through growth oriented strategies in both fixed income and equities. The portfolio may have exposure to, but is not limited to, growth oriented investments such as tactical fixed income, non-investment grade bonds, foreign debt obligations, preferred shares, small cap and emerging market equities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the portfolio's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 80% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds*.

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 11.4% of the net assets of the portfolio were invested in Scotia Global Growth Fund Series I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards equity
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

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 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.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 20.71	65.27	114.41	260.43
Premium Series units	$ 19.37	61.07	107.05	243.67

Scotia Aria Portfolios

Scotia Aria Progressive Core Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	30%
Equities	70%

To meet the portfolio's objective, the portfolio advisor will:

- invest in equity investments assessed to offer a higher level of stability than the broader market, primarily through low volatility strategies and other defensive strategies
- invest in fixed income investments that seek to reduce interest rate sensitivity primarily through floating rate and shorter term fixed income instruments

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size, the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and the underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the portfolio's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 80% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 13.5% of the net assets of the portfolio were invested in Dynamic Dividend Advantage Fund Series O and up to 11.4% of the net assets of the portfolio were invested in CI Cambridge Canadian Equity Corporate Class I.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards equity
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series 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 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act. The dollar amount of your monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized rate is expected to be approximately 2.5% for Series TL and Premium TL Series, 5% for Series T and Premium T Series, and 7.5% for Series TH and Premium

TH Series, of the average daily net asset value per unit of the Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 20.50	64.63	113.28	257.85
Series TL units	$ 21.01	66.24	116.11	264.29
Series T units	$ 20.09	63.33	111.01	252.69
Series TH units	$ 21.01	66.24	116.11	264.29
Premium Series units	$ 19.37	61.07	107.05	243.67
Premium TL Series units	$ 19.59	62.69	109..88	250.11
Premium T Series units	$ 19.78	62.36	109.31	248.82
Premium TH Series units	$ 19.37	61.07	107.05	243.67

Scotia Aria Progressive Pay Portfolio

Fund details

Fund type	Asset allocation portfolio
Start date	Series A Units: November 24, 2014 Series TL Units: November 24, 2014 Series T Units: November 24, 2014 Series TH Units: November 24, 2014 Premium Series Units: November 24, 2014 Premium TL Series Units: November 24, 2014 Premium T Series Units: November 24, 2014 Premium TH Series Units: November 24, 2014
Type of securities	Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor	The Manager Toronto, Ontario

What does the fund invest in?

Investment objectives

The portfolio invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and long term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in equity securities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between two asset classes: fixed income and equities.

The table below outlines the target weighting for each asset class in which the portfolio invests.

Asset Class	Target Weighting
Fixed Income	30%
Equities	70%

To meet the portfolio's objective, the portfolio advisor will primarily focus on generating a stable level of income through both equity and fixed income investments. The portfolio may have exposure to, but is not limited to, investments such as government and corporate bonds, high yield debt securities, high yield foreign debt securities, preferred shares, and dividend paying equity securities.

The underlying funds, equity securities and fixed income securities including exchange-traded funds in which the portfolio invests may change from time to time, but in general we will keep the target weighting for each asset class no more than 20% above or below the amounts set out in the preceding table. You will find more information on investing in underlying funds in *Investing in underlying funds*. Although up to 100% of the portfolio's assets may be invested in underlying funds, once the portfolio reaches a sufficient size the portfolio advisor may determine that it is more efficient to invest the portfolio directly in securities in one or more asset classes.

The portfolio advisor and underlying fund managers may choose to use warrants and derivatives such as options, futures, forward contracts and swaps to gain exposure to individual securities and markets instead of buying the securities directly in order to hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies, and will only use derivatives as permitted by securities regulations.

The portfolio can invest up to 80% of its assets in foreign securities.

This portfolio may also enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income. For more information about repurchase, reverse repurchase and securities lending transactions and how the fund limits the risks associated with them see *Repurchase and reverse repurchase transaction risk* and *Securities lending risk*.

In the event of adverse market, economic and/or political conditions, the portfolio advisor and underlying fund managers may invest this fund's assets in cash and cash equivalent securities.

The portfolio and its underlying funds may also engage in short selling on the conditions permitted by Canadian securities rules. In determining whether securities of a particular issuer should be sold short, the portfolio advisor utilizes the same analysis that is described above for deciding whether to

purchase securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale. For a more detailed description of short selling and the limits within which the underlying fund may engage in short selling, please refer to *Short selling risk*.

The portfolio may invest in other mutual funds which are managed by us, or one of our affiliates or associates, or by other mutual fund managers. For more information see *Investing in underlying funds.*

What are the risks of investing in the fund?

The main risks of investing in this fund are:

- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- series risk
- short selling risk
- significant unitholder risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 13.9% of the net assets of the portfolio were invested in Scotia U.S. Dividend Fund Series I, up to 12.6% of the net assets of the portfolio were invested in Scotia Global Dividend Fund Series I and up to 10.7% of the net assets of the portfolio were invested in the Dynamic Dividend Advantage Fund Series O.

Who should invest in this fund?

This portfolio may be suitable for you if:

- you want a balanced holding with a bias towards equity
- you can accept medium risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this fund's risk level.

Distribution policy

For Series A and Premium Series 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 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 TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series 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 income tax under Part I of the Tax Act.

The dollar amount of your monthly distribution may be reset at the beginning of each calendar year or when necessary. The distribution amount will be a factor of the payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units (the annualized distribution is expected to be approximately 2.5% for Series TL and Premium TL Series, 5.0% for Series T and Premium T Series, and 7.5% for Series TH and Premium TH

Series of the average daily net asset value per unit of the Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series units during the previous calendar year) and the number of Series TL, Series T, Series TH and/or Premium TL Series, Premium T Series, Premium TH Series units of the portfolio you own at the time of the distribution.

The payout rate for Series TL, Series T, Series TH and Premium TL Series, Premium T Series, Premium TH Series 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. Distributions by this portfolio are not guaranteed to occur on a specific date and neither we nor the portfolio is responsible for any fees or charges incurred by you because the portfolio did not effect a distribution on a particular day.

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

Distributions may be greater than the return on the portfolio's investments. As a result, a portion of the portfolio's distributions may represent a return of capital. A return of capital is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. Please see *Income tax considerations for investors* for more details.

Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio, unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 20.60	64.95	113.84	259.14
Series TL units	$ 20.81	65.60	114.97	261.72
Series T units	$ 20.91	65.92	115.54	263.01
Series TH units	$ 21.01	66.24	116.11	264.29
Premium Series units	$ 19.48	61.40	107.61	244.96
Premium TL Series units	$ 19.68	62.04	108.74	247.53
Premium T Series units	$ 19.89	62.69	109.88	250.11
Premium TH Series units	$ 19.68	62.04	108.74	247.53

Pinnacle Portfolios

Pinnacle Income Portfolio

Fund details

Fund type:	Asset allocation portfolio
Start date:	Series A units: April 22, 2005
Type of securities:	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor:	The Manager Toronto, Ontario

What does the portfolio invest in?

Investment objectives

The portfolio's objective is to generate current income and long-term capital growth, with a bias towards income. It invests primarily in a mix of equity and income mutual funds managed by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: bonds, Canadian equities, foreign equities and equities of real estate companies. The majority of the portfolio will be invested in bonds with the balance invested in equities which will include Canadian and foreign equities and may include equities of real estate companies and real estate investment trusts.

Although up to 100% of the portfolio's assets may be invested in underlying funds, including the Scotia Private Pools, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 60% of its assets in foreign securities.

What are the risks of investing in the portfolio?

The portfolio indirectly has the same risks as the Underlying Funds it holds. The portfolio takes on the risks of an Underlying Fund in proportion to its investment in that Underlying Fund. As a result of these investments, the risks of the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk.

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 45.2% of the net assets of the portfolio were invested in Scotia Private Income Pool Series I, up to 15.2% of the net assets of the portfolio were invested in Scotia Private American Core-Plus Bond Pool Series I and up to 10.3% of the net assets of the portfolio were invested in Scotia Private High Yield Income Pool Series I.

Who should invest in this portfolio?

This portfolio may be suitable for you if:

- you want a balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept low to medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 23.06	72.70	127.44	290.08

Pinnacle Portfolios

Pinnacle Balanced Portfolio

Fund details

Fund type:	Asset allocation portfolio
Start date:	Series A units: April 22, 2005
Type of securities:	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor:	The Manager Toronto, Ontario

What does the portfolio invest in?

Investment objectives

The portfolio's objective is to achieve a balance of long-term capital growth and current income. It invests primarily in a mix of equity and income mutual funds managed by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: bonds, equities of real estate companies, Canadian equities and foreign equities. The majority of the portfolio will be invested in equities which will include Canadian and foreign equities and equities of real estate companies and real estate investment trusts. The equities allocation will have a slight focus on Canadian equities. In addition, a significant allocation of the portfolio will be invested in bonds.

Although up to 100% of the portfolio's assets may be invested in underlying funds, including the Scotia Private Pools, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 40% of its assets in foreign securities.

What are the risks of investing in the portfolio?

The portfolio indirectly has the same risks as the Underlying Funds it holds. The portfolio takes on the risks of an Underlying Fund in proportion to its investment in that Underlying Fund. As a result of these investments, the risks of the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- small company risk
- underlying ETFs risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 30.4% of the net assets of the portfolio were invested in Scotia Private Income Pool Series I, up to 10.3% of the net assets of the portfolio were invested in Scotia Private Global Real Estate Pool Series I, up to 12.2% of the net assets of the portfolio were invested in Scotia Private Canadian Growth Pool Series I, up to 10.5% of the net assets of the portfolio were invested in Scotia Private Canadian Value Pool Series I and up to 10.1% of the net assets of the portfolio were invested in Scotia Private High Yield Income Pool Series I.

Who should invest in this portfolio?

This portfolio may be suitable for you if:

- you want a balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium risk
- you are investing for the medium to long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 24.91	78.52	137.63	313.29

Pinnacle Portfolios

Pinnacle Growth Portfolio

Fund details

Fund type:	Asset allocation portfolio
Start date:	Series A units: April 22, 2005
Type of securities:	Series A units of a mutual fund trust
Eligible for Registered Plans?	Yes
Portfolio advisor:	The Manager Toronto, Ontario

What does the portfolio invest in?

Investment objectives

The portfolio's objective is to achieve long-term capital growth and provide some current income. It invests primarily in a mix of equity and income mutual funds managed by us.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

Investment strategies

The portfolio is an asset allocation fund that allocates your investment between four asset classes: bonds, equities of real estate companies, Canadian equities and foreign equities. The portfolio will be principally invested in equities which will include a significant position in Canadian equities and smaller positions in foreign equities and equities of real estate companies and real estate investment trusts. Approximately 20% of the portfolio will be invested in bonds.

Although up to 100% of the portfolio's assets may be invested in underlying funds, including the Scotia Private Pools, the portfolio may hold a portion of its assets in cash or money market instruments while seeking investment opportunities or for defensive purposes.

The portfolio can invest up to 40% of its assets in foreign securities.

What are the risks of investing in the portfolio?

The portfolio indirectly has the same risks as the Underlying Funds it holds. The portfolio takes on the risks of an Underlying Fund in proportion to its investment in that Underlying Fund. As a result of these investments, the risks of the portfolio include:

- asset-backed and mortgage-backed securities risk
- commodity risk
- credit risk
- currency risk
- derivatives risk
- emerging markets risk
- equity risk
- foreign investment risk
- fund-of-funds risk
- income trust risk
- interest rate risk
- issuer-specific risk
- liquidity risk
- real estate sector risk
- repurchase and reverse repurchase transaction risk
- securities lending risk
- small company risk
- U.S. withholding tax risk

You will find details about each of these risks under *What is a mutual fund and what are the risks of investing in a mutual fund?*

During the 12 months preceding October 24, 2016, up to 20.6% of the net assets of the portfolio were invested in Scotia Private Canadian Growth Pool Series I, up to 17.8% of the net assets of the portfolio were invested in Scotia Private Canadian Value Pool Series I, up to 14.3% of the net assets of the portfolio were invested in Scotia Private Income Pool Series I and up to 10.5% of the net assets of the portfolio were invested in Scotia Private Global Real Estate Pool Series I.

Who should invest in this portfolio?

This portfolio may be suitable for you if:

- you want a balanced holding, which is well diversified by asset class, investment style, geography and market capitalization
- you can accept medium to high risk
- you are investing for the long term

Please see *Investment risk classification methodology* for a description of how we determined the classification of this portfolio's risk level.

Distribution policy

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 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. Distributions on units held in Registered Plans and non-registered accounts are reinvested in additional units of the portfolio unless you tell your dealer that you want to receive cash distributions.

Fund expenses indirectly borne by investors

This example shows the portfolio's expenses on a $1,000 investment with a 5% annual return.

Fees and expenses payable over	1 year	3 years	5 years	10 years
Series A units	$ 29.32	92.42	161.98	368.72

What is a mutual fund and what are the risks of investing in a mutual fund?

For many Canadians, mutual funds represent a simple and affordable way to meet their financial goals. But what exactly is a mutual fund, why invest in them, and what are the risks?

What is a mutual fund?

A mutual fund is an investment that pools your money with the money of many other people. Professional portfolio advisors use that money to buy securities that they believe will help achieve the mutual fund's investment objectives. These securities could include stocks, bonds, mortgages, money market instruments, or a combination of these.

When you invest in a mutual fund, you receive units of the mutual fund. Each unit represents a proportionate share of all of the mutual fund's assets. All of the investors in a mutual fund share in the mutual fund's income, gains and losses. Investors also pay their share of the mutual fund's expenses.

Why invest in mutual funds?

Mutual funds offer investors three key benefits: professional money management, diversification and accessibility.

- *Professional money management.* Professional portfolio advisors have the expertise to make the investment decisions. They also have access to up-to-the-minute information on trends in the financial markets, and in-depth data and research on potential investments.
- *Diversification.* Because your money is pooled with that of other investors, a mutual fund offers diversification into many securities that may not have otherwise been available to individual investors.
- *Accessibility.* Mutual funds have low investment minimums, making them accessible to nearly everyone.

No guarantees

While mutual funds have many benefits, it is important to remember that an investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer, and your investment in the funds is not guaranteed by Scotiabank.

Under exceptional circumstances, a mutual fund may suspend your right to sell your units. See *Suspending your right to buy, switch and sell units* for details.

What are the risks?

While everyone wants to make money when they invest, you could lose money, too. This is known as risk. Like other investments, mutual funds involve some level of risk. The value of a mutual fund's securities can change from day to day for many reasons, including changes in the economy, interest rates, and market and company news. That means the value of mutual fund units can vary. When you sell your units in a mutual fund, you could receive less money than you invested.

The amount of risk depends on the mutual fund's investment objectives and the types of securities it invests in. A general rule of investing is that the higher the risk, the higher the potential for gains as well as losses. Our Cash Equivalent Funds usually offer the least risk because they invest in highly liquid, short-term investments such as treasury bills. Their potential returns are tied to short-term interest rates. Our Income Funds invest in bonds and other fixed income investments. Our Income Funds typically have higher long-term returns than our Cash Equivalent Funds, but they carry more risk because their prices can change when interest rates change. Our Equity Funds expose investors to the highest level of risk because they invest in equity securities, such as common shares, whose prices can rise and fall significantly in a short period of time.

Managing risk

While risk is an important factor to consider when you are choosing a mutual fund, you should also think about your investment goals and when you will need your money. For example, if you are saving for a large purchase in the next year or so, you might consider investing in a fund with low risk. If you want your retirement savings to grow over the next 20 years, you can probably afford to put more of your money in our Equity Funds.

A carefully chosen mix of investments can help reduce risk as you meet your investment goals. Your registered investment professional can help you build an investment portfolio that is suited to your goals and risk comfort level.

If your investment goals or tolerance for risk changes, remember, you can and should change your investments to match your new situation.

Specific risks of mutual funds

The value of the investments a mutual fund holds can change for a number of reasons. You will find the specific risks of investing in each of the funds in the individual fund descriptions section. This section tells you more about each risk. **To the extent that a fund invests in underlying funds, it has the same risks as its underlying funds. Accordingly, any reference to a fund in this section is intended to also refer to any underlying funds that a fund may invest in.**

Asset-backed and mortgage-backed securities risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. To the extent that a fund invests in these securities, it will be sensitive to asset-backed and mortgage-backed securities risk. If there are changes in the market perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. When investing in mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Commodity risk

Some funds may invest directly or indirectly in gold or in companies engaged in the energy or natural resource industries. The market value of such a fund's investments may be affected by adverse movements in commodity prices. When commodity prices decline, this generally has a negative impact on the earnings of companies whose business is based in commodities, such as oil and gas.

Credit risk

A fixed income security, such as a bond, is a promise to pay interest and repay the principal on the maturity date. There is always a risk that the issuer will fail to honour that promise. This is called credit risk. To the extent that a fund invests in fixed income securities, it will be sensitive to credit risk. Credit risk is lowest among issuers that have a high credit rating from a credit rating agency. It is highest among issuers that have a low credit rating or no credit rating. Issuers with a low credit rating usually offer higher interest rates to make up for the higher risk. The bonds of issuers with poor credit ratings generally have yields that are higher than bonds of issuers with superior credit ratings. Bonds of issuers that have poor credit ratings tend to be more volatile as there is a greater likelihood of bankruptcy or default. Credit ratings may change over time. Please see *Foreign investment risk* in the case of investments in debt issued by foreign companies or governments.

Currency risk

When a fund buys an investment that is denominated in a foreign currency, changes in the exchange rate between that currency and the Canadian dollar will affect the value of the fund. When a fund calculates its net asset value in U.S. dollars, changes in the exchange rate between U.S. dollars and an investment denominated in a currency other than U.S. dollars will affect the value of the fund.

Derivatives risk

To the extent that a fund uses derivatives, it will be sensitive to derivatives risk. Derivatives can be useful for hedging against losses, gaining exposure to financial markets and making indirect investments, but they involve certain risks:

- Hedging with derivatives may not achieve the intended result. Hedging instruments rely on historical or anticipated correlations to predict the impact of certain events, which may or may not occur. If they occur, they may not have the predicted effect.
- It is difficult to hedge against trends that the market has already anticipated.
- Costs relating to entering and maintaining derivatives contracts may reduce the returns of a fund.
- A currency hedge will reduce the benefits of gains if the hedged currency increases in value.
- Currency hedging can be difficult in smaller emerging growth countries because of the limited size of those markets.
- Currency hedging provides no protection against changes in the value of the underlying securities.
- There is no guarantee that a liquid exchange or market for derivatives will exist. This could prevent a fund from closing out its positions to realize gains or limit losses. At worst, a fund might face losses from having to exercise underlying futures contracts.
- The prices of derivatives can be distorted if trading in their underlying stocks is halted. Trading in the derivative might be interrupted if trading is halted in a large number of the underlying stocks. This would make it difficult for a fund to close out its positions.
- The counterparty in a derivatives contract might not be able to meet its obligations. When using derivatives, a fund relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, for example,

in the event of default or bankruptcy of the counterparty, the fund may bear the risk of loss of the amount expected to be received under options, forward contracts or other transactions.

- Derivatives trading on foreign markets may take longer and be more difficult to complete. Foreign derivatives are subject to the foreign investment risks described below. Please see *Foreign investment risk*.
- Investment dealers and futures brokers may hold a fund's assets on deposit as collateral in a derivative contract. As a result, someone other than the fund's custodian is responsible for the safekeeping of that part of the fund's assets.
- The regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory changes may make it more difficult, or impossible, for a fund to use certain derivatives.
- Changes in tax laws, regulatory laws, or the administrative practices or policies of a tax or regulatory authority may adversely affect a fund and its investors. For example, the tax and regulatory environment for derivative instruments is evolving, and changes in the taxation or regulation of derivative instruments may adversely affect the value of derivative instruments held by a fund and the ability of a fund to pursue its investment strategies. Interpretation of the law and the application of administrative practices or policies by a taxation authority may also affect the characterization of a fund's earnings as capital gains or income. In such a case, the net income of a fund for tax purposes and the taxable component of distributions to investors could be determined to be more than originally reported, with the result that investors or the fund could be liable to pay additional income tax. Any liability imposed on a fund may reduce the value of the fund and the value of an investor's investment in the fund.

Emerging markets risk

Some funds may invest in foreign companies or governments (other than the U.S.) which may be located in, or operate in, developing countries. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability, possible corruption, as well as lower standards of business regulation increase the risk of fraud and other legal issues. In addition to foreign investment risk described below, these funds may be exposed to greater volatility as a result of such issues.

Equity risk

Funds that invest in equities, such as common shares, are affected by changes in the general economy and financial markets, as well as by the success or failure of the companies that issued the securities. When stock markets rise, the value of equity securities tends to rise. When stock markets fall, the value of equity securities tends to fall. Convertible securities may also be subject to interest rate risk.

Foreign investment risk

Investments issued by foreign companies or governments (other than the U.S.) can be riskier than investments in Canada and the U.S.

Foreign countries can be affected by political, social, legal or diplomatic developments, including the imposition of currency and exchange controls. Some foreign markets can be less liquid, are less regulated, and are subject to different reporting practices and disclosure requirements than issuers in North American markets. It may be more difficult to enforce a fund's legal rights in jurisdictions outside of Canada. In general, securities issued in more developed markets, such as Western Europe, have lower foreign investment risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, have significant foreign investment risk and are exposed to the emerging markets risks described above.

Fund-of-funds risk

If a fund invests in an underlying fund, the risks associated with investing in that fund include the risks associated with the securities in which the underlying fund invests, along with the other risks of the underlying fund. Accordingly, a fund takes on the risk of an underlying fund and its respective securities in proportion to its investment in that underlying fund. If an underlying fund suspends redemptions, the fund that invests in the underlying fund may be unable to value part of its investment portfolio and may be unable to process redemption orders.

Income trust risk

An income trust, including a REIT, generally holds debt and/or equity securities of an underlying active business or is entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed. Income trusts are subject to the risks of the particular type of underlying business, including supply contracts, the cancellation by a major customer of its contract or significant litigation.

The governing law of the income trust may not limit, or may not fully limit, the liability of investors in the income trust, including a fund that invests in the income trust, for claims against the income trust. In such cases, to the extent that claims, whether in contract, in tort or as a result of tax or statutory liability against the income trust, are not satisfied by the income trust, investors in the income trust, including a fund that invests in the income trust, could be held liable for such obligations. Income trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that provide that the obligations of the income trust will not be binding on investors. However, investors in the income trust, including a fund that invests in the income trust, would still have exposure to damage claims not mitigated contractually, such as personal injury and environmental claims.

Index risk

Some mutual funds have an investment objective that requires them to duplicate the investment portfolio of a particular index. Depending on market conditions, one or more of the securities listed in that index may account for more than 10% of the net assets of the mutual fund. As an index mutual fund and the index it tracks become less diversified, the index mutual fund is exposed to greater concentration and liquidity risk and may become more volatile.

Interest rate risk

Funds that invest in fixed income securities, such as bonds, mortgages and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the funds that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Issuer-specific risk

The market value of an individual issuer's securities can be more volatile than the market as a whole. As a result, if a single issuer's securities represent a significant portion of the market value of a fund's assets, changes in the market value of that issuer's securities may cause greater fluctuation in the fund's net asset value than would normally be the case. A less-diversified fund may also suffer from reduced liquidity if a significant portion of its assets is invested in any one issuer. In particular, the fund may not be able to easily liquidate its position in the issuers as required to fund redemption requests.

Generally, mutual funds are not permitted to invest more than 10% of their net assets in any one issuer. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government, securities issued by a clearing corporation, securities issued by mutual funds that are subject to the requirements of National Instrument 81-102 – *Investment Funds* ("NI 81-102") and National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, or index participation units issued by a mutual fund.

Liquidity risk

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. If a fund cannot sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

Real estate sector risk

Some of the funds concentrate their investments in the real estate sector of the marketplace. These funds are better able to focus on the real estate sector's potential, however these funds are also riskier than funds with broader diversification. Sector specific funds tend to experience greater fluctuations in price because securities in the same industry tend to be affected by the same factors. These funds must continue to follow their investment objectives by investing in their particular sector even during periods when the sector is performing poorly.

Repurchase and reverse repurchase transaction risk

Some funds may enter into repurchase or reverse repurchase agreements to generate additional income. When a fund agrees to sell a security at one price and buy it back on a specified later date from the same party with the expectation of a profit, it is entering into a repurchase agreement. When a fund agrees to buy a security at one price and sell it back on a specified later date to the same party with the expectation of a profit, it is entering into a reverse repurchase agreement. Funds engaging in repurchase and reverse repurchase transactions are exposed to the risk that the other party to the transaction may become insolvent and unable to

complete the transaction. In those circumstances, there is a risk that the value of the securities bought may drop or the value of the securities sold may rise between the time the other party becomes insolvent and the time the fund recovers its investment. To limit the risks associated with repurchase and reverse repurchase transactions, any such 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. A fund will enter into repurchase or reverse repurchase agreements only with parties that we believe, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements. Prior to entering into a repurchase agreement, a fund must ensure that the aggregate value of the securities that have been sold pursuant to repurchase transactions, together with any securities loaned pursuant to securities lending transactions, will not exceed 50% of the net asset value of the fund immediately after the fund enters into the transaction.

Securities lending risk

Some funds may enter into securities lending transactions to generate additional income from securities held in a fund's portfolio. In lending its securities, a fund is exposed to the risk that the borrower may not be able to satisfy its obligations under the securities lending agreement and the lending fund is forced to take possession of the collateral held. Losses could result if the collateral held by the fund is insufficient, at the time the remedy is exercised, to replace the securities borrowed. To address these risks, any securities lending 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. A fund will enter into securities lending transactions only with parties that we believe, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements. Prior to entering into a securities lending agreement, a fund must ensure that the aggregate value of the securities loaned, together with those that have been sold pursuant to repurchase transactions, does not exceed 50% of the net asset value of the fund immediately after the fund enters into the transaction.

Series risk

Some funds offer two or more series of units. Although the value of each series is calculated separately, there is a risk that the expenses or liabilities of one series of units may affect the value of the other series. If one series is unable to cover its liabilities, the other series are legally responsible for covering the difference. We believe that this risk is very low.

Share class risk

Most mutual funds are mutual fund trusts. In certain circumstances, mutual funds may choose to invest in mutual fund corporations. Many mutual fund corporations have established separate classes of shares. In many cases each class of shares represents a separate portfolio of securities which is managed under distinct investment objectives which are not shared with other classes of shares of the mutual fund corporation. The liabilities attributed to each class of shares of a mutual fund corporation are liabilities of the corporation as a whole. If the assets attributed to one class of shares of a mutual fund corporation are insufficient, assets attributed to other classes of shares may have to be used to cover these liabilities. Although the portfolios are different, and the value of each class of shares is calculated separately, there is a risk that the expenses or liabilities of one class of shares may affect the value of the other classes.

Short selling risk

Certain mutual funds may engage in a limited amount of short selling. 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). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by the mutual fund and make a profit for the mutual fund, and securities sold short may instead appreciate in value. The mutual fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the mutual fund has borrowed securities may go bankrupt and the mutual fund may lose the collateral it has deposited with the lender. Each fund that engages in short selling will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of

exposure for short sales. The funds also will deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

Significant unitholder risk

Some funds may have particular investors who own a large proportion of the outstanding units of the fund. For example, institutions such as banks and insurance companies or other fund companies may purchase units of the funds for their own mutual funds, segregated investment funds, structured notes or discretionary managed accounts. Retail investors may also own a significant amount of units of a fund.

If one of those investors redeems a large amount of their investment in a fund, the fund may have to sell its portfolio investments at unfavourable prices to meet the redemption request, which can result in significant price fluctuations to the net asset value of the fund and may potentially reduce the returns of the fund. Conversely, if a large investor were to increase its investment in a fund, that fund may have to hold a relatively large portion in cash for a period of time until the portfolio advisor finds suitable investments, which could also negatively impact the performance of the fund.

Small company risk

The prices of shares issued by smaller companies tend to fluctuate more than those of larger corporations. Smaller companies may not have established markets for their products and may not have solid financing. These companies generally issue fewer shares, which increases their liquidity risk.

Underlying ETFs risk

Some funds may invest in ETFs. The trading price of the units or shares of ETFs will fluctuate in accordance with changes in the ETF's net asset value, as well as market supply and demand on the stock exchange. Units or shares of an ETF may trade in the market at a premium or discount to the ETF's net asset value per unit or share and there can be no assurance that units or shares will trade at prices that reflect their net asset value.

U.S. withholding tax risk

Generally, the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or "FATCA") impose a 30% withholding tax on "withholdable payments" made to a mutual fund, unless the mutual fund enters into a FATCA agreement with the U.S. Internal Revenue Service (the "IRS") (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require a mutual fund to obtain certain information (including account balances) from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information and documentation to the IRS.

Under the terms of the intergovernmental agreement between Canada and the U.S. to provide for the implementation of FATCA (the "Canada-U.S. IGA"), and its implementing provisions under the *Tax Act*, a fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, a fund will not have to enter into an individual FATCA agreement with the IRS but the fund will be required to register with the IRS and to report certain information on accounts held by U.S. persons owning, directly or indirectly, an interest in the fund, or held by certain other persons or entities. In addition, the fund may also be required to report certain information on accounts held by investors that did not provide the required residency and identity information, through the dealer, to the fund. The fund will not have to provide information directly to the IRS but instead will be required to report information to the Canada Revenue Agency (the "CRA"). The CRA will in turn exchange information with the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in a fund the investor is deemed to consent to the fund disclosing such information to the CRA. If a fund is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the net asset value of the fund and may result in reduced investment returns to unitholders. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of a fund.

Withholdable payments include (i) certain U.S. source income (such as interest, dividends and other passive income) and (ii) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2019 in the case of gross proceeds). The 30% withholding tax may also apply to any "foreign passthru payments" paid by a mutual fund to certain investors on or after January 1, 2019. The scope of foreign passthru payments will be determined under the U.S. Treasury regulations that have yet to be issued.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the *Tax Act*, future U.S. Treasury regulations, and other guidance.

Organization and management of the funds

Manager

1832 Asset Management L.P.
1 Adelaide Street East
28th Floor
Toronto, Ontario
M5C 2V9

As manager, we are responsible for the overall business and operation of the funds. This includes:

- arranging for portfolio advisory services
- providing or arranging for administrative services

The general partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia.

Trustee

1832 Asset Management L.P.
Toronto, Ontario

As trustee, we control and have authority over each fund's investments in trust for unitholders under the terms described in the master declaration of trust.

Principal distributor

The principal distributor markets and sells certain units of the funds where they qualify for sale in Canada. We or the principal distributor may hire participating dealers to assist in the sale of units of the funds.

There is no principal distributor of the Series D, Series I and series M units of the funds offered under this simplified prospectus.

Scotia Securities Inc.
Toronto, Ontario

Scotia Securities Inc. is the principal distributor of the Series A (with the exception of the Pinnacle Portfolios), Series F (with the exception of the Scotia Private Pools), Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units offered under this simplified prospectus.

Scotia Securities Inc. is a wholly-owned subsidiary of The Bank of Nova Scotia, which is the parent company of 1832 Asset Management L.P.

Scotia Capital Inc.
Toronto, Ontario

Scotia Capital Inc. is the principal distributor of the Series A units of the Pinnacle Portfolios, Series F units of the Scotia Private Pools, Series K and Pinnacle Series units offered under this simplified prospectus.

Scotia Capital Inc. is a wholly-owned subsidiary of The Bank of Nova Scotia, which is the parent company of 1832 Asset Management L.P.

Custodian

The custodian holds the investments of the funds and keeps them safe to ensure that they are used only for the benefit of investors.

The Bank of Nova Scotia
Toronto, Ontario

The Bank of Nova Scotia is the custodian of all funds with the exception of Scotia Private Options Income Pool. The general partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia.

State Street Trust Company Canada
Toronto, Ontario

State Street Trust Company Canada is the custodian of Scotia Private Options Income Pool. State Street Trust Company Canada is independent of the Manager.

Securities Lending Agent

The securities lending agent will act on behalf of the funds in administering securities lending transactions, repurchase transactions and reverse repurchase transactions entered into by a fund.

The Bank of Nova Scotia
Toronto, Ontario

In the event a fund, other than Scotia Private Options Income Pool, engages in a securities lending transaction, repurchase transaction or reverse repurchase transaction, then The Bank of Nova Scotia will be appointed as the fund's securities lending agent.

The general partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia.

State Street Bank and Trust Company
Boston, Massachusetts

In the event Scotia Private Options Income Pool engages in a securities lending transaction, repurchase transaction or reverse repurchase transaction, then State Street Bank and Trust Company will be appointed as the fund's securities lending agent.

State Street Bank and Trust Company is independent of the Manager.

Registrar

The registrar makes arrangements to keep a record of all unitholders of the funds, process orders and issue tax slips to unitholders.

1832 Asset Management L.P.
Toronto, Ontario

Except as set out below, we act as registrar for the funds.

International Financial Data Services (Canada) Limited
Toronto, Ontario

International Financial Data Services (Canada) Limited acts as registrar for Series F, Series I and Pinnacle Series units of the Scotia Private Pools, Series K units of the funds and the Pinnacle Portfolios.

Auditor PricewaterhouseCoopers LLP Toronto, Ontario	The auditor is an independent firm of chartered professional accountants. The firm audits the annual financial statements of the funds and provides an opinion as to whether they are fairly presented in accordance with International Financial Reporting Standards ("IFRS").
Portfolio advisor	The portfolio advisor provides investment advice and makes the investment decisions for the funds. You will find the portfolio advisor for each fund in the individual fund descriptions earlier in this document.
1832 Asset Management L.P. Toronto, Ontario	The general partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia.
Portfolio sub-advisors	We have authority to retain portfolio sub-advisors. If appointed for a fund, the portfolio sub-advisor provides investment advice and makes the investment decisions for the fund. You will find the portfolio sub-advisor for each fund, if applicable, in the individual fund descriptions earlier in this document.
Baillie Gifford Overseas Limited Edinburgh, Scotland	Baillie Gifford Overseas Limited is independent of the Manager.
Coho Partners, Ltd. Berwyn, Pennsylvania	Coho Partners, Ltd. is independent of the Manager.
Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia	Connor, Clark & Lunn Investment Management Ltd. is independent of the Manager.
Delaware Investment Advisors Philadelphia, Pennsylvania	Delaware Investment Advisors is independent of the Manager.
Guardian Capital LP Toronto, Ontario	Guardian Capital LP is independent of the Manager.
Hahn Capital Management, LLC San Francisco, California	Hahn Capital Management, LLC is independent of the Manager.
Harding Loevner LP Somerville, New Jersey	Harding Loevner LP is independent of the Manager.
Hermes European Equities Limited London, England	Hermes European Equities Limited is independent of the Manager.
Hillsdale Investment Management Inc. Toronto, Ontario	Hillsdale Investment Management Inc. is independent of the Manager.
Jarislowsky, Fraser Limited Montreal, Quebec	Jarislowsky, Fraser Limited is independent of the Manager.
Lincluden Investment Management Oakville, Ontario	Lincluden Investment Management is independent of the Manager.
LMCG Investments, LLC Boston, Massachusetts	LMCG Investments, LLC is independent of the Manager.
Logan Circle Partners, L.P. Conshohocken, Pennsylvania	Logan Circle Partners, L.P. is independent of the Manager.
Manulife Asset Management Toronto, Ontario	Manulife Asset Management is independent of the Manager.
PIMCO Canada Corp. Toronto, Ontario	PIMCO Canada Corp. is independent of the Manager.
Polen Capital Management Boca Raton, Florida	Polen Capital Management is independent of the Manager.
Scheer, Rowlett & Associates Investment Management Ltd. Toronto, Ontario	Scheer, Rowlett & Associates Investment Management Ltd. is independent of the Manager.
Scotia Inverlat Casa de Bolsa, S.A. De C.V., Grupo Financiero Scotiabank Inverlat Mexico City, Mexico	Scotia Inverlat Casa de Bolsa, S.A. De C.V., Grupo Financiero Scotiabank Inverlat is wholly-owned, directly and indirectly, by The Bank of Nova Scotia.

State Street Global Advisors, Ltd. Montréal, Québec	State Street Global Advisors, Ltd. is independent of the Manager.
Strategic Global Advisors, LLC Newport Beach, California	Strategic Global Advisors, LLC is independent of the Manager.
Van Berkom and Associates Inc. Montreal, Québec	Van Berkom and Associates Inc. is independent of the Manager.
Victory Capital Management Birmingham, Michigan	Victory Capital Management is independent of the Manager.
William Blair Investment Management, LLC Chicago, Illinois	William Blair Investment Management, LLC is independent of the Manager.

Baillie Gifford Overseas Limited is registered in the category of portfolio manager in Ontario.

Coho Partners, Ltd., Polen Capital Management, Hahn Capital Management, LLC, William Blair Investment Management, LLC, Victory Capital Management, LMCG Investments, LLC, Logan Circle Partners, L.P., Harding Loevner Management, L.P., Hermes European Equities Limited and Delaware Investment Advisors are relying on the "international advisor" exemption from the registration requirement in National Instrument NI 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations* ("NI 31-103").

Scotia Inverlat Casa de Bolsa, S.A. De C.V., Grupo Financiero Scotiabank Inverlat and Strategic Global Advisors, LLC are relying on the "international sub-advisor" exemption from the registration requirement in NI 31-103 and we are responsible to you for any loss that arises out of these sub-advisors' failure to meet the standard of care as described under NI 31-103.

Each of the portfolio advisors listed in the above two paragraphs are located outside of Canada and all or a substantial portion of their assets may be situated outside of Canada, which may make it difficult for investors to enforce their legal rights against these portfolio advisors. The name and address of the agent for service of process for each of these portfolio advisors is available upon request.

Independent Review Committee

The Manager has established an independent review committee ("IRC") in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107") with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the funds. The IRC is responsible for overseeing the Manager's decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between the funds and other funds, and any change of the auditor of the funds. Subject to any corporate and securities law requirements, no securityholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, securityholder approval may be required to approve certain mergers.

The IRC currently has five members, each of whom is independent of the Manager.

The IRC prepares and files a report to the securityholders each fiscal year that describes the IRC and its activities for securityholders as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the securityholders is available on the Manager's website at www.scotiafunds.com or, at no cost, by contacting the Manager at fundinfo@scotiabank.com.

Additional information about the IRC, including the names of its members, is available in the annual information form.

Funds that invest in underlying funds that are managed by us or our associates or affiliates will not vote any of the securities of those underlying funds. However, we may arrange for you to vote your share of those securities.

The funds have received an exemption from the securities regulatory authorities allowing them to purchase equity securities of a Canadian reporting issuer during the period of distribution of the securities and for the 60-day period following the period of distribution (the "Prohibition Period") pursuant to a private placement notwithstanding that an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in the offering of equity securities. Any such purchase must be consistent with the investment objectives of the particular fund. Further, the IRC of the funds must approve the investment in accordance with the approval requirements of NI 81-107 and such purchase can only be carried out if it is in compliance with certain other conditions.

The funds have received an exemption from the securities regulatory authorities to permit the funds, to 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, even if an affiliate of the Manager acts as underwriter in the private placement or prospectus offering, provided the issuer is at the time a registrant in the United States, the IRC approves of the investment and the purchase is carried out in compliance with certain other conditions.

In addition to the above exemptive relief, the funds may from time to time be granted exemptions from NI 81-102 to permit them to invest during the Prohibition Period in securities of an issuer, in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in the issuer's distribution of securities of the same class, where the funds are not able to do so in accordance with NI 81-107 or the exemptive relief described above.

Purchases, switches and redemptions

The funds are "no-load". That means you do not pay a sales commission when you buy, switch or sell units of the funds through us or our affiliates. Selling your units is also known as redeeming.

How to place orders

You can open an account and buy, switch or sell the funds:

- by calling or visiting any Scotiabank branch;
- by calling or visiting an office of ScotiaMcLeod, or visiting online (and/or by calling) Scotia iTRADE; or
- through Scotia OnLine at www.scotiabank.com, once you have signed up for this service. You may not redeem units of the funds through Scotia OnLine – redemptions must be placed through a Scotiabank branch, either in person, by email, by fax or by telephone.

You can also open an account and place orders through other registered brokers or dealers. They may charge you a sales commission or other fee. Brokers and dealers must send orders to us on the same day that they receive completed orders from investors.

All transactions are based on the price of a fund's units – or its net asset value per unit ("NAVPU"). All orders are processed using the next NAVPU calculated after the fund receives the order.

How we calculate net asset value per unit

We usually calculate the NAVPU of each series of each fund following the close of trading on the Toronto Stock Exchange (the "TSX") on each day that the TSX is open for trading. In unusual circumstances, we may suspend the calculation of the NAVPU, subject to any necessary regulatory approval.

The NAVPU of each series of a fund is calculated 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 outstanding units in that series at such time. Securities which trade on a public stock exchange are usually valued at their closing price on that exchange. However, if the price is not a true reflection of the value of the security, we will use another method to determine its value. This method is called fair value pricing and it will be used when a security's value is affected by events which occur after the closing of the market where the security is principally traded. Fair value pricing may also be used in other circumstances.

All of the funds are valued in Canadian dollars, except for Scotia U.S. $ Money Market Fund, Scotia U.S. $ Bond Fund and Scotia U.S. $ Balanced Fund. These funds are valued in U.S. dollars.

About the series of units

The funds offer a number of series of units. The series have different management fees and/or distribution policies and are intended for different investors. Certain series are only available to investors who participate in particular investment programs. The required minimum investment for a series may differ for individual funds. Units are non-transferable except with the written consent of the Manager for the sole purpose of granting a security interest therein.

- Series A units are generally available to all investors. Series A units of the Pinnacle Portfolios are exclusively available through ScotiaMcLeod.
- 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. If investors hold units of a fund, other than Series D units, in a discount brokerage account, including a Scotia iTRADE account, and become eligible to hold Series D units, such other units will not be reclassified automatically.
- Series F units are generally only available to investors who have fee-based accounts with authorized brokers and dealers. We, in conjunction with your broker or dealer, are responsible for deciding whether you are eligible for Series F units. Series F units of the Scotia Private Pools are generally available to investors who have fee-based accounts with ScotiaMcLeod. We may make Series F units available to other investors from time to time. If you are no longer eligible to hold your Series F units, we may change your units to Series A or Pinnacle Series units as applicable or sell them.
- Series I units are only available to eligible institutional investors and other qualified investors. No management fees are charged on Series I units. Instead, Series I investors negotiate a separate fee that is paid directly to us.

- Series K units are only available to investors who participate in the SIP or as otherwise permitted by the Manager. Series K units are only available in the SIP multi-manager mandates or SIP optimized portfolios and are not available as single funds.
- Series M units are available to investors who have signed a discretionary investment management agreement with 1832 Asset Management L.P. or Scotiatrust.
- Series T, Series TL and Series TH units as well as Premium T Series, Premium TL Series and Premium TH Series units are intended for investors seeking stable monthly distributions. Monthly distributions on those series of units will consist of net income, net realized capital gains and/or a return of capital. The amount of monthly distributions paid varies from series to series and from fund to fund. See *Distribution policy* in the profile of each fund that offers one or more of these series for more details. Any net income and net realized capital gains in excess of the monthly distributions will be distributed annually at the end of each year.
- Pinnacle Series units are only available to investors who participate in the Pinnacle Program or as otherwise permitted by the Manager.
- Premium Series, Premium T Series, Premium TL Series and Premium TH Series units are only available to investors who make the required minimum investment, as determined by us from time to time. The principal difference between these series and other series of units is the minimum investment required to invest.

How to buy the funds

Minimum investments

The minimum amounts for the initial and each additional investment in Series A, Series D and Series TL, Series T, Series TH and Pinnacle Series units of a fund are shown in the table below.

	Minimum initial investment		
Fund	**All accounts except RRIF Plans**	**RRIF Plans**	**Minimum additional investment (including pre-authorized contributions[1])**
Scotia Canadian Bond Index Fund Scotia Canadian Index Fund Scotia International Index Fund Scotia Nasdaq Index Fund Scotia U.S. Index Fund	$ 1,000	$ 5,000	$ 25
Scotia Premium T-Bill Fund[2]	$100,000	$250,000	$ 50
Scotia Global Growth Fund	$ 100	$ 5,000	$ 25
Scotia U.S. $ Money Market Fund[3] Scotia U.S. $ Bond Fund[3] Scotia U.S. $ Balanced Fund[3]	$ 500	$ 5,000	$ 25
Scotia Selected Portfolios	$ 2,500	$ 2,500	$ 25
Scotia Partners Portfolios	$ 10,000	$ 10,000	$ 25
Scotia INNOVA Portfolios	$ 50,000	$ 50,000	$ 50
Scotia Aria Portfolios[4]	$100,000	$100,000	$ 50
Scotia Private Pools	$ 1,000	$ 1,000	$500
Pinnacle Portfolios	$ 25,000	$ 25,000	$100
All other Funds	$ 500	$ 5,000	$ 25

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 $50x12 ÷ 4, or $150.

2 We have the right, without notice to you, to switch your units of Scotia Premium T-Bill Fund for Series A units of Scotia T-Bill Fund if you do not maintain the minimum initial investment amount 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.

3 You must use U.S. dollars to buy this fund. If you tender in Canadian dollars, it will first be converted to U.S. dollars.

4 The minimum initial investment for the Scotia Aria Portfolios is based on an investor's aggregate investment in all Scotia Aria Portfolios.

For Series F units of a fund (except Scotia Partners Portfolios and Scotia Private Pools), the minimum initial investment amount is $2,500 and the minimum for each additional investment is $50. The minimum initial investment amount for Series F units of the Scotia Partners Portfolios is $10,000 and the minimum for each additional investment is $50. The minimum initial investment amount for Series F units of the Scotia Private Pools is $1,000 and the minimum for each additional investment is $500.

For Series I units of a fund, the minimum initial investment amount is generally $1,000,000.

The minimum initial investment amount in Series K units of a fund is generally $1,000.

The minimum initial investment amount in Series M units of a fund is generally $250,000.

For Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of a fund, the minimum initial investment amount is $300,000 in aggregate, in the Scotia Aria Portfolios, and the minimum for each additional investment is $50.

We may change the minimum investment amounts for initial and subsequent investments in a fund at any time, from time to time, and on a case by case basis, subject to applicable securities laws. If you buy, sell or switch units through non-affiliated dealers you may be subject to higher minimum initial or additional investment amounts.

For Series A units of the Pinnacle Portfolios and Pinnacle Series units of the Scotia Private Pools, if the value of the investments in your account falls below $100, we may sell your units and send you the proceeds. For all other series of units, we can redeem or, if applicable, reclassify your units if the value of your investment in any fund drops below the minimum initial investment or if your aggregate assets invested in the Scotia Aria Portfolios, Pinnacle Program or SIP drop below the minimum amounts required for those programs. We will give you 30 days' written notice before selling or reclassifying your units.

More about buying

- We can reject all or part of your order within one business day of the fund receiving it. If we reject your order, we will immediately return any money received, without interest.
- We may reject your order if you have made several purchases and sales of a fund within a short period of time, usually 31 days. See Short-term trading for details.
- You have to pay for your units when you buy them. If we do not receive payment for your purchase within three business days after the purchase price is determined, we will sell your units on the next business day. Subject to the implementation of changes to the timeframe for the settlement of securities in Canada, effective September 5, 2017, payment for units must be received within two business days after the purchase price is determined. If the proceeds from the sale are more than the cost of buying the units, the fund will keep the difference. If the proceeds are less than the cost of buying the units, we must pay the shortfall. We may collect the shortfall and any related costs from the dealer or broker who placed the order, or from you, if you placed the order directly with us. If you use a dealer or broker to place the order then your dealer or broker may make provision in its arrangements with you that it will be entitled to reimbursement from you of the shortfall together with any additional costs and expenses suffered by it in connection with a failed settlement of a purchase of units of a fund caused by you.
- You must use U.S. dollars to buy Scotia U.S. $ Money Market Fund, Scotia U.S. $ Bond Fund and Scotia U.S. $ Balanced Fund.
- Your broker, dealer or we will send you a confirmation of your purchase once your order is processed. If you buy units through pre-authorized contributions, you will receive a confirmation only for the initial investment and when you change the amount of your regular investment.

How to switch funds

You can switch from one fund to another mutual fund managed by the Manager and offered under the ScotiaFunds brand, including the funds described in the annual information form, as long as you are eligible to hold the particular series of the fund into which you switch. These types of switches will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or loss. The tax consequences are discussed in *Income tax considerations for investors* in this document.

When we receive your order, we will sell units of the first fund and then use the proceeds to buy units or shares of the second fund. If you switch units within 31 days of buying them, you may have to pay a short term trading fee. See *Short term trading* for details.

More about switching

- The rules for buying and selling units also apply to switches.
- You can switch between funds valued in the same currency.
- If you hold your units in a non-registered account, you are likely to realize a capital gain or loss. Capital gains are taxable.
- Your broker, dealer or we will send you a confirmation once your order is processed.

How to reclassify your 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. If you reclassify units of one series to another series, the value of your investment won't change (except for any fees you pay to reclassify your units), but the number of units you hold will change. This is because each series has a different unit value. Your dealer may charge you a fee to reclassify your units. In general, reclassifying units from one series to another series of the same fund is not a disposition for tax purposes.

How to sell your units

In general, your instructions to sell must be in writing, and your bank, trust company, broker or dealer must guarantee your signature. We may also require other proof of signing authority.

We will send your payment to your broker or dealer within three business days of receiving your properly completed order. Subject to the implementation of changes to the timeframe for the settlement of securities in Canada, effective September 5, 2017, we will send your payment to your broker or dealer within two business days of receiving your properly completed order. If you sell units within 31 days of buying them, you may have to pay a short-term trading fee. See *Short-term trading* for details.

You can also sell units on a regular basis by setting up an automatic withdrawal plan. See *Optional services* for details.

We may unilaterally redeem your units under certain circumstances.

More about selling

- You must provide all required documents within 10 business days of the day the redemption price is determined. If you do not, we will buy back the units as of the close of business on the 10th business day. If the cost of buying the units is less than the sale proceeds, the fund will keep the difference. If the cost of buying the units is more than the sale proceeds, we must pay the shortfall. We can collect the shortfall and any related costs from the broker or dealer who placed the order, or from you, if you placed the order directly with us. If you used a dealer or broker to place the order then your dealer or broker may make provision in its arrangements with you that it will be entitled to reimbursement from you of the shortfall together with any additional costs and expenses suffered by it in connection with a failed redemption of units of a fund caused by you.
- Sell orders placed for a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by the required documents with proof of signing authority. The sell order will be effective only when the Manager, on behalf of the funds, receives all required documents, properly completed.
- If you hold units of Scotia U.S. $ Money Market Fund, Scotia U.S. $ Bond Fund or Scotia U.S. $ Balanced Fund, we will send you the sale proceeds in U.S. dollars.
- If you hold your units in a non-registered account, you will experience a taxable disposition which for most unitholders is expected to result in a capital gain or loss.
- Your broker, dealer or we will send you a confirmation once your order is processed. If you sell units through the automatic withdrawal plan, you will receive a confirmation only for the first withdrawal.

Suspending your right to buy, switch and sell units

Securities regulations allow us to temporarily suspend your right to sell your fund units and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% by value or underlying market exposure of the total assets of the fund without allowance for liabilities are traded and there is no other exchange where these securities or derivatives are traded that represents a reasonable practical alternative for the fund, or
- with the approval of securities regulators.

We will not accept orders to buy fund units during any period when we've suspended investors' rights to sell their units.

You may withdraw your sell order before the end of the suspension period. Otherwise, we will sell your units at the NAVPU next calculated when the suspension period ends.

Short-term trading fee

Short term trading by investors can increase a fund's expenses, which affects all investors in the fund, and can affect the economic interest of long-term investors. Short-term trading can affect a fund's performance by forcing the portfolio advisor to keep more cash in the fund than would otherwise be required. If you redeem or switch securities of any series of a fund within 31 days of acquisition, we may, on behalf of the fund, in our sole discretion, charge a

short-term trading fee of 2% of the amount you redeem or switch. The short-term trading fee does not apply to:

- any of the Cash Equivalent Funds;
- redemptions that are carried out to accommodate payment of fees for the SIP, Summit Program or Pinnacle Program;
- automatic rebalancing that is part of a service provided by the Manager;
- transactions not exceeding a certain minimum dollar amount, as determined by the Manager from time to time;
- trade corrections or any other action initiated by the Manager or the applicable portfolio advisor;
- transfers of units of one fund between two accounts belonging to the same unitholder;
- regularly scheduled RRIF or LIF payments;
- regularly scheduled automatic withdrawal payments in Registered Plans; and
- reclassifying units from one series to another series of the same fund.

International Financial Data Services (Canada) Limited monitors trading within the Series F, Series I and Pinnacle Series units of the Scotia Private Pools, Series K units of the funds and the Pinnacle Portfolios and on a daily basis and provides the Manager with a daily report on short-term trading activity in the funds.

Any formal or informal arrangements to permit short-term trading are described in the fund's annual information form. If securities regulations mandate the adoption of specified policies relating to short-term trading, the funds will adopt such policies if and when implemented by the securities regulators. If required, these policies will be adopted without amendment to this simplified prospectus or the funds' annual information form and without notice to you, unless otherwise required by such regulations.

Optional services

This section tells you about the accounts, plans and services that are available to investors in the ScotiaFunds. Call us at 1-800-268-9269 (416-750-3863 in Toronto) for English, or 1-800-387-5004 for French, or contact your broker or dealer for full details and application forms.

Pre-Authorized Contributions

Following your initial investment, you can make regular pre-authorized contributions to the funds you choose using automatic transfers from your bank account at any Canadian financial institution through your broker or dealer.

More about Pre-Authorized Contributions

- Pre-authorized contributions are available for non-registered accounts, RRSPs, RESPs, RDSPs and TFSAs. See *Minimum investments* for more details.
- You can choose to invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually.
- We will automatically transfer the money from your bank account to the funds you choose.
- You can change how much you invest and how often you invest, or cancel the plan at any time by contacting your registered investment professional or broker or dealer.
- We can change or cancel the plan at any time.
- If you make purchases using pre-authorized contributions, you will receive Fund Facts for the fund you have invested in only after your initial purchase unless you request that Fund Facts also be provided to you after each subsequent purchase. If you would like to receive Fund Facts for subsequent purchases, please contact your broker or dealer. The current Fund Facts may be found at www.sedar.com or at www.scotiafunds.com, www.scotiabank.com/scotiaprivatepools or www.scotiabank.com/pinnacleportfolios. Although you do not have a statutory right to withdraw from a subsequent purchase of mutual fund units made under a pre-authorized contribution (as that right only exists with respect to initial purchases under a pre-authorized contribution), you will continue to have a right of action for damages or rescission in the event the Fund Facts (or the documents incorporated by reference into the simplified prospectus) contains a misrepresentation, whether or not you request Fund Facts for subsequent purchases.
- If a fund is merged into another mutual fund managed by the Manager, then any pre-authorized contribution plans which were established for such fund prior to the merger will be automatically re-established in comparable plans with respect to the applicable continuing fund unless a unitholder advises otherwise.
- Pre-authorized contributions are not available for Series M units.

Automatic Withdrawal Plan

Automatic withdrawal plans let you receive regular cash payments from your funds. The table below shows the minimum balance needed to start the plan and the minimum for each withdrawal.

Fund	Minimum balance to start the plan	Minimum for each withdrawal
Scotia Money Market Fund Scotia T-Bill Fund Scotia U.S. $ Money Market Fund[1]	$ 10,000	$100
Scotia Premium T-Bill Fund	$250,000	$500
Scotia Private Pools[2]	$ 50,000	n/a
Scotia INNOVA Portfolios	$ 50,000	$ 50
Pinnacle Portfolios[3]	$ 25,000	n/a
All other funds[1,4,5]	$ 5,000	$ 50

1 You must use U.S. dollars for Scotia U.S. $ Money Market Fund, Scotia U.S. $ Bond Fund and Scotia U.S. $ Balanced Fund.

2 The Manager reserves the right to terminate the plan for any Scotia Private Pool if the value of your investment falls below $25,000 or, for Pinnacle Series units $5,000.

3 The Manager reserves the right to terminate the plan for any Pinnacle Portfolio if the value of your investment falls below $5,000.

4 For Series K units a minimum SIP account balance of $150,000 is required to start the plan.

5 For the Scotia Aria Portfolios the applicable minimum investment amounts of a particular series of units must be maintained or we have the option of redeeming your units or, in the case of Premium Series, Premium TL Series, Premium T Series or Premium TH Series units, switching them to Series A, Series TL, Series T, or Series TH units of the same portfolio (as applicable).

More about the automatic withdrawal plan

- The automatic withdrawal plan is only available for non-registered accounts.
- You can choose to receive payments monthly, quarterly, semi-annually or annually.
- We will automatically sell the necessary number of units to make payments to your bank account at any Canadian financial institution.
- If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

- You can change the funds and the amount or frequency of your payments, or cancel the plan by contacting your registered investment professional.
- We can change or cancel the plan, or waive the minimum amounts at any time.
- If a fund is merged into another mutual fund managed by the Manager, then any automatic withdrawal plans which were established for such fund prior to the merger will be automatically re-established in comparable plans with respect to the applicable continuing fund unless a unitholder advises otherwise.
- The automatic withdrawal plan is not available for Series M units.

If you withdraw more money than your fund units are earning, you will eventually use up your investment.

Registered Plans

RRSPs, RRIFs, RDSPs, locked-in retirement accounts, LRSPs, LIFs, LRIFs, PRIFs, RESPs and TFSAs are available from your dealer or advisor. You can make lump-sum investments, or if you prefer, you can set up a regular investment plan using pre-authorized contributions. See *Minimum investments* for the minimum investment amounts.

You can also hold units of the funds in self-directed Registered Plans with other financial institutions. You may be charged a fee for these plans.

Optimized Portfolios (Pinnacle Series units)

You have the option of choosing from several optimized portfolios, professionally designed with the assistance of NTGA. Each of the optimized portfolios consists of various funds as well as cash and cash equivalent securities. You can choose an optimized portfolio with the help of your ScotiaMcLeod advisor. You can also set the target weighting for each fund within your optimized portfolio if you wish to use the automatic rebalancing as described below. If NTGA recommends a change in weighting in a particular optimized portfolio or a change in funds comprising the particular optimized portfolio, such change in weighting or change in the funds comprising the particular optimized portfolio will not be made unless you agree with your ScotiaMcLeod advisor to make the change.

Custom Portfolios (Pinnacle Series units)

You also have the option of designing a custom portfolio with the help of your ScotiaMcLeod advisor. You can generally choose as many or as few funds as you wish to include in the custom portfolio. You can also set the target weighting for each fund within your portfolio if you wish to use the automatic rebalancing as described below.

Automatic Rebalancing (Pinnacle Series units)

At your request, your optimized or custom portfolio can be automatically rebalanced to the set fund target weightings in each portfolio. The rebalancing will take place on or about the 15th day of the month following the end of each calendar quarter. The short-term trading fee does not apply to rebalancing that is offered in connection with an optimized or custom portfolio.

If you hold your funds in a non-registered account, you may realize a capital gain or loss when your account is rebalanced. Capital gains are taxable.

ScotiaMcLeod Investment Portfolios

The SIP is a managed account program offered by ScotiaMcLeod advisors. The program may invest in custom portfolios of single segregated securities mandates, multi-manager mandates of segregated securities and Series K units, or a combination of single segregated and multi-manager mandates. The program may also invest in optimized portfolios of Series K units.

Fees and expenses

This section describes the fees and expenses you may have to pay if you invest in the funds. You may have to pay some of these fees and expenses directly. The funds may have to pay some of these fees and expenses, which may reduce the value of your investment. The funds are required to pay Goods and Services Tax ("GST") or Harmonized Sales Tax ("HST") on management fees and, as applicable, (i) operating expenses or (ii) fixed administration fees (as defined below) and other fund costs (as defined below), in respect of each series of units, based on the residence for tax purposes of the investors of the particular series of units. GST is currently charged at a rate of 5% and HST is currently charged at a rate of between 13% and 15% depending on the province. Changes in existing HST rates, the adopting of HST by additional provinces, the repeal of HST by HST-participating provinces and changes in the breakdown of the residence of investors in each series of units may therefore have an impact on the fund's year over year returns.

The Manager is not required to seek unitholder approval for the introduction of, or a change in the basis of calculating, a fee or expense that is charged to a fund or charged directly to unitholders of the fund in a way that could result in an increase in charges to unitholders provided any such introduction, or change, will only be made if notice is sent to unitholders at least 60 days before the effective date of the change.

Fees and expenses payable by the funds

Management fees

Each fund pays us a management fee with respect to each series of units, other than Series I, Series K and Pinnacle Series units, for providing general management services. The fee is calculated and accrued daily and paid monthly. The management fees cover the costs of managing the fund, arranging for investment analysis, recommendations and investment decision making for the fund, arranging for distribution of the funds, marketing and promotion of the funds and providing or arranging for other services.

Series I

Management fees for Series I units of a fund are negotiated and paid directly by the investor, not by the fund, and will not exceed the Series A or Pinnacle Series management fees of the fund or, if the fund does not offer Series A or Pinnacle Series, the management fee will not exceed 1.5%.

Series K

No management fees are charged by the Manager in respect of the Series K units of the individual funds. If you have a SIP Agreement with ScotiaMcLeod, you will agree to pay an account fee for the services offered under that Agreement. You will pay the fees on a quarterly basis and the payment can only be made through the redemption of Series K units held in the funds, unless otherwise permitted by ScotiaMcLeod. With respect to Series K units, ScotiaMcLeod will pay the Manager a portion of its SIP fee of up to 0.28%.

Pinnacle Series

No management fees are charged by the Manager in respect of Pinnacle Series units of a fund. If you have a Pinnacle Program Agreement with ScotiaMcLeod, you will agree to pay an asset based fee for the services offered under that Agreement. You will pay the fees on a quarterly basis and the payment can only be made through the redemption of Pinnacle Series units held in the funds, unless otherwise permitted by ScotiaMcLeod. The maximum annual fee charged, with respect to the Pinnacle Series, is 1.25% on Scotia Private Short Term Income Pool, Scotia Private Income Pool, Scotia Private High Yield Income Pool and Scotia Private American Core-Plus Bond Pool and 2.5% on all other funds. With respect to Pinnacle Series, ScotiaMcLeod will pay the Manager up to the rate of fees the Manager receives in respect of Series F for any fund. ScotiaMcLeod also reimburses the Manager for that portion of the fees of the Portfolio Advisors and NTGA attributable to the Pinnacle Series units and may reimburse the Manager for certain other expenses.

Any management fees in connection with purchases of Pinnacle Series units outside the Pinnacle Program are negotiated separately with your dealer and the Manager.

The maximum annual rates of the management fee, which are a percentage of the net asset value of each series of the funds are as follows:

Fund	Maximum annual management fee (%)
Series A units	
Cash Equivalent Funds	
Scotia Money Market Fund	1.00%
Scotia Premium T-Bill Fund	0.50%[1]
Scotia T-Bill Fund	1.00%
Scotia U.S. $ Money Market Fund	1.00%
Income Funds	
Scotia Bond Fund	1.10%
Scotia Canadian Income Fund	1.25%
Scotia Conservative Income Fund	1.10%
Scotia Global Bond Fund	1.50%
Scotia Mortgage Income Fund	1.25%
Scotia U.S. $ Bond Fund	1.50%
Balanced Funds	
Scotia Balanced Opportunities Fund	1.75%
Scotia Canadian Balanced Fund	1.75%
Scotia Diversified Monthly Income Fund	1.25%
Scotia Dividend Balanced Fund	1.65%
Scotia Global Balanced Fund	2.00%
Scotia Income Advantage Fund	1.85%
Scotia U.S. $ Balanced Fund	1.85%
Equity Funds	
Canadian & U.S. Equity Funds	
Scotia Canadian Blue Chip Fund	1.85%
Scotia Canadian Dividend Fund	1.50%
Scotia Canadian Growth Fund	1.85%
Scotia Canadian Small Cap Fund	2.00%
Scotia Resource Fund	2.00%
Scotia U.S. Blue Chip Fund	2.00%
Scotia U.S. Dividend Fund	1.85%
Scotia U.S. Opportunities Fund	2.00%
International Equity Funds	
Scotia European Fund	2.00%
Scotia International Value Fund	2.15%
Scotia Latin American Fund	2.50%
Scotia Pacific Rim Fund	2.00%
Global Equity Funds	
Scotia Global Dividend Fund	2.00%
Scotia Global Growth Fund	2.00%
Scotia Global Opportunities Fund	2.20%
Scotia Global Small Cap Fund	2.35%
Index Funds	
Scotia Canadian Bond Index Fund	0.70%
Scotia Canadian Index Fund	0.80%
Scotia International Index Fund	0.80%
Scotia Nasdaq Index Fund	0.80%
Scotia U.S. Index Fund	0.80%
Portfolio Solutions	
Scotia Selected Portfolios	
Scotia Selected Income Portfolio	1.55%
Scotia Selected Balanced Income Portfolio	1.60%
Scotia Selected Balanced Growth Portfolio	1.75%
Scotia Selected Growth Portfolio	1.90%
Scotia Selected Maximum Growth Portfolio	2.10%

Fees and expenses payable by the funds (cont'd)

Fund	Maximum annual management fee (%)
Scotia Partners Portfolios	
Scotia Partners Income Portfolio	1.80%
Scotia Partners Balanced Income Portfolio	1.85%
Scotia Partners Balanced Growth Portfolio	2.00%
Scotia Partners Growth Portfolio	2.15%
Scotia Partners Maximum Growth Portfolio	2.35%
Scotia INNOVA Portfolios	
Scotia INNOVA Income Portfolio	1.60%
Scotia INNOVA Balanced Income Portfolio	1.70%
Scotia INNOVA Balanced Growth Portfolio	1.80%
Scotia INNOVA Growth Portfolio	1.90%
Scotia INNOVA Maximum Growth Portfolio	2.00%
Scotia Aria Portfolios	
Scotia Aria Conservative Build Portfolio	1.50%
Scotia Aria Conservative Core Portfolio	1.50%
Scotia Aria Conservative Pay Portfolio	1.50%
Scotia Aria Moderate Build Portfolio	1.60%
Scotia Aria Moderate Core Portfolio	1.60%
Scotia Aria Moderate Pay Portfolio	1.60%
Scotia Aria Progressive Build Portfolio	1.70%
Scotia Aria Progressive Core Portfolio	1.70%
Scotia Aria Progressive Pay Portfolio	1.70%
Pinnacle Portfolios	
Pinnacle Income Portfolio	1.85%
Pinnacle Balanced Portfolio	2.10%
Pinnacle Growth Portfolio	2.40%

[1] The fund pays a Management Fee Distribution of 0.20% when the value of the fund held within an account is $250,000 to $1,000,000. It pays a Management Fee Distribution of 0.35% when the value of the fund held within an account is greater than $1,000,000.

Series D units	
Balanced Funds	
Scotia Balanced Opportunities Fund	1.25%
Scotia Canadian Balanced Fund	1.25%
Scotia Diversified Monthly Income Fund	1.00%
Scotia Dividend Balanced Fund	0.90%
Scotia Global Balanced Fund	1.25%
Scotia Income Advantage Fund	1.10%
Index Funds	
Scotia Canadian Bond Index Fund	0.50%
Scotia Canadian Index Fund	0.60%
Scotia International Index Fund	0.60%
Scotia Nasdaq Index Fund	0.60%
Scotia U.S. Index Fund	0.60%

Series F units	
Cash Equivalent Fund	
Scotia Private Short Term Income Pool	0.50%
Income Funds	
Scotia Canadian Income Fund	0.625%
Scotia Global Bond Fund	0.75%
Scotia Mortgage Income Fund	0.625%
Scotia Private American Core-Plus Bond Pool	0.75%
Scotia Private High Yield Income Pool	0.75%
Scotia Private Income Pool	0.70%
Scotia U.S. $ Bond Fund	0.75%

Fees and expenses payable by the funds (cont'd)

Fund	Maximum annual management fee (%)
Balanced Funds	
Scotia Balanced Opportunities Fund	0.875%
Scotia Canadian Balanced Fund	0.875%
Scotia Diversified Monthly Income Fund	0.625%
Scotia Private Strategic Balanced Pool	1.00%
Equity Funds	
Canadian and U.S. Equity Funds	
Scotia Canadian Blue Chip Fund	0.925%
Scotia Canadian Dividend Fund	0.75%
Scotia Canadian Growth Fund	0.925%
Scotia Canadian Small Cap Fund	1.00%
Scotia Private Canadian Growth Pool	1.00%
Scotia Private Canadian Mid Cap Pool	1.00%
Scotia Private Canadian Small Cap Pool	1.00%
Scotia Private Canadian Value Pool	1.00%
Scotia Private U.S. Large Cap Growth Pool	1.00%
Scotia Private U.S. Mid Cap Growth Pool	0.80%
Scotia Private U.S. Mid Cap Value Pool	0.80%
Scotia Private U.S. Value Pool	1.00%
Scotia Resource Fund	1.00%
Scotia U.S. Blue Chip Fund	1.00%
Scotia U.S. Opportunities Fund	1.00%
International Equity Funds	
Scotia European Fund	1.00%
Scotia International Value Fund	1.15%
Scotia Latin American Fund	1.25%
Scotia Pacific Rim Fund	1.00%
Scotia Private International Equity Pool	1.00%
Scotia Private International Small to Mid Cap Value Pool	1.00%
Global Equity Funds	
Scotia Global Growth Fund	1.00%
Scotia Global Opportunities Fund	1.20%
Scotia Global Small Cap Fund	1.35%
Scotia Private Global Equity Pool	1.00%
Scotia Private Global Real Estate Pool	1.00%
Index Funds	
Scotia Canadian Bond Index Fund	0.35%
Scotia Canadian Index Fund	0.40%
Scotia International Index Fund	0.40%
Scotia Nasdaq Index Fund	0.40%
Scotia U.S. Index Fund	0.40%
Portfolio Solutions	
Scotia Selected Portfolios	
Scotia Selected Balanced Income Portfolio	0.60%
Scotia Selected Balanced Growth Portfolio	0.75%
Scotia Selected Growth Portfolio	0.90%
Scotia Selected Maximum Growth Portfolio	1.10%
Scotia Partners Portfolios	
Scotia Partners Balanced Income Portfolio	0.85%
Scotia Partners Balanced Growth Portfolio	1.00%
Scotia Partners Growth Portfolio	1.15%
Scotia Partners Maximum Growth Portfolio	1.35%
Series M units	
Cash Equivalent Funds	
Scotia Money Market Fund	0.10%
Scotia U.S. $ Money Market Fund	0.10%

Fees and expenses payable by the funds (cont'd)

Fund	Maximum annual management fee (%)
Income Funds	
Scotia Bond Fund	0.10%
Scotia Canadian Income Fund	0.10%
Scotia Floating Rate Income Fund	0.07%
Scotia Mortgage Income Fund	0.07%
Scotia Private Canadian Corporate Bond Pool	0.10%
Scotia Private Canadian Preferred Share Pool	0.30%
Scotia Private High Yield Income Pool	0.30%
Scotia Private Short-Mid Government Bond Pool	0.10%
Scotia Private Total Return Bond Pool	0.10%
Scotia Short Term Bond Fund	0.10%
Balanced Fund	
Scotia Income Advantage Fund	0.10%
Canadian and U.S. Equity Funds	
Scotia Canadian Dividend Fund	0.10%
Scotia Canadian Small Cap Fund	0.10%
Scotia Private Canadian Equity Pool	0.10%
Scotia Private Canadian Small Cap Pool	0.70%
Scotia Private North American Dividend Pool	0.10%
Scotia Private Real Estate Income Pool	0.30%
Scotia Private U.S. Dividend Pool	0.30%
Scotia Private U.S. Equity Pool	0.10%
Scotia Private U.S. Mid Cap Growth Pool	0.55%
Scotia Private U.S. Mid Cap Value Pool	0.55%
International Equity Fund	
Scotia Private Emerging Markets Pool	0.70%
Scotia Private International Core Equity Pool	0.30%
Global Equity Fund	
Scotia Private Global Low Volatility Equity Pool	0.55%
Specialty Fund	
Scotia Private Options Income Pool	0.10%
Series TL units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.50%
Scotia Aria Conservative Pay Portfolio	1.50%
Scotia Aria Moderate Core Portfolio	1.60%
Scotia Aria Moderate Pay Portfolio	1.60%
Scotia Aria Progressive Core Portfolio	1.70%
Scotia Aria Progressive Pay Portfolio	1.70%
Series T Units	
Portfolio Solutions	
Scotia Partners Portfolios	
Scotia Partners Income Portfolio	1.80%
Scotia Partners Balanced Income Portfolio	1.85%
Scotia Partners Balanced Growth Portfolio	2.00%
Scotia Partners Growth Portfolio	2.15%
Scotia Partners Maximum Growth Portfolio	2.35%
Scotia INNOVA Portfolios	
Scotia INNOVA Income Portfolio	1.60%
Scotia INNOVA Balanced Income Portfolio	1.70%
Scotia INNOVA Balanced Growth Portfolio	1.80%
Scotia INNOVA Growth Portfolio	1.90%
Scotia INNOVA Maximum Growth Portfolio	2.00%

Fund	Maximum annual management fee (%)
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.50%
Scotia Aria Conservative Pay Portfolio	1.50%
Scotia Aria Moderate Core Portfolio	1.60%
Scotia Aria Moderate Pay Portfolio	1.60%
Scotia Aria Progressive Core Portfolio	1.70%
Scotia Aria Progressive Pay Portfolio	1.70%
Series TH units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.50%
Scotia Aria Conservative Pay Portfolio	1.50%
Scotia Aria Moderate Core Portfolio	1.60%
Scotia Aria Moderate Pay Portfolio	1.60%
Scotia Aria Progressive Core Portfolio	1.70%
Scotia Aria Progressive Pay Portfolio	1.70%
Premium Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Build Portfolio	1.40%
Scotia Aria Conservative Core Portfolio	1.40%
Scotia Aria Conservative Pay Portfolio	1.40%
Scotia Aria Moderate Build Portfolio	1.50%
Scotia Aria Moderate Core Portfolio	1.50%
Scotia Aria Moderate Pay Portfolio	1.50%
Scotia Aria Progressive Build Portfolio	1.60%
Scotia Aria Progressive Core Portfolio	1.60%
Scotia Aria Progressive Pay Portfolio	1.60%
Premium TL Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.40%
Scotia Aria Conservative Pay Portfolio	1.40%
Scotia Aria Moderate Core Portfolio	1.50%
Scotia Aria Moderate Pay Portfolio	1.50%
Scotia Aria Progressive Core Portfolio	1.60%
Scotia Aria Progressive Pay Portfolio	1.60%
Premium T Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.40%
Scotia Aria Conservative Pay Portfolio	1.40%
Scotia Aria Moderate Core Portfolio	1.50%
Scotia Aria Moderate Pay Portfolio	1.50%
Scotia Aria Progressive Core Portfolio	1.60%
Scotia Aria Progressive Pay Portfolio	1.60%
Premium TH Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	1.40%
Scotia Aria Conservative Pay Portfolio	1.40%
Scotia Aria Moderate Core Portfolio	1.50%
Scotia Aria Moderate Pay Portfolio	1.50%
Scotia Aria Progressive Core Portfolio	1.60%
Scotia Aria Progressive Pay Portfolio	1.60%

Fees and expenses payable by the funds (cont'd)

Funds that invest in other funds

An underlying fund pays its own fees and expenses, which are in addition to the fees and expenses payable by a fund that invests in the underlying fund.

No management or incentive fees are payable by a fund if the payment of those fees could reasonably be perceived as a duplication of fees payable by an underlying fund for the same services.

No sales or redemption fees are payable by a fund when it buys or sells securities of an underlying fund that is managed by us or one of our affiliates or associates of if the payment of these fees could reasonably be perceived as a duplication of fees paid by an investor in the fund.

Management fee distributions

In order to encourage very large investments in a fund and to achieve effective management fees that are competitive for these large investments, the Manager may agree to waive a portion of the management fee that it would otherwise be entitled to receive from a fund or a unitholder with respect to a unitholder's investment in the fund. An amount equal to the amount so waived may be distributed to such unitholder by the fund or the Manager, as applicable (called a "Management Fee Distribution"). In this way, the cost of Management Fee Distributions is effectively borne by the Manager, not the funds or the unitholder as the funds or the unitholder, as applicable, are paying a discounted management fee. Management Fee Distributions are calculated and credited to the relevant unitholder on each business day and distributed on a monthly basis, first out of net income and net taxable capital gains of the relevant funds and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional securities of the relevant series of a fund. The payment of Management Fee Distributions by the fund or the Manager, as applicable, to a unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the fund, and the unitholder's registered investment professional or broker or dealer, and is primarily based on the size of the investment in the fund. The Manager will confirm in writing to the unitholder's registered investment professional or broker or dealer the details of any Management Fee Distribution arrangement.

Notwithstanding the above paragraph, unitholders of Premium T-Bill Fund are entitled to receive a Management Fee Distribution in an amount equal to: (i) 0.20% of the NAV of their holdings in the fund in their account if such NAV is between $250,000.00 and $1,000,000.00; and (ii) 0.35% of the NAV of their holdings in the fund in their account if such NAV is greater than $1,000,000.00.

Fixed administration fees and operating expenses

Operating Expenses

Each series of Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. $ Money Market Fund and Scotia Private Short Term Income Pool (the "Excluded Funds") as well as Series F of Scotia Canadian Blue Chip Fund and Scotia Global Growth Fund (the "Excluded Series") is allocated its own expenses and its proportionate share of the respective fund's expenses that are common to all series. Operating expenses may include legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, taxes, brokerage commissions, unitholder communication costs and other administrative costs. Examples of other administrative costs include departmental expenses incurred and paid by the Manager which support the daily operation of the funds. These expenses also include the costs in connection with the operation of the IRC (such as the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC), the fees paid to each IRC member, and the reasonable expenses associated with the performance of his or her duties as an IRC member. We may choose to absorb any of these expenses.

Fixed Administration Fees

The Manager pays certain operating expenses of the funds other than the Excluded Funds and the Excluded Series (the "FAF Funds"). These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, transfer agency and recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, administration costs, bank charges, costs of preparing and distributing annual and semi-annual reports, prospectuses, annual information forms, Fund Facts and statements, investor communications and continuous disclosure materials. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees. In return, each FAF Fund (other than with respect to the Excluded Series) pays a fixed administration fee to the Manager (the "fixed administration fee"). The fixed administration fee may vary by series of units and by fund. Up to December 31, 2016, the fixed administration fee payable by each FAF Fund is subject to a Transitional Adjustment Payment as described below under *Transitional adjustment payment*. Funds and series launched after August 22, 2014 will not be subject to a Transitional Adjustment Payment. The Manager may, in some years and in certain cases, pay a portion of a series' fixed administration fee or other fund costs. The fixed administration fee and other fund costs are included in the management expense ratio of each series of a FAF Fund (other than the Excluded Series). The fixed administration fee is calculated and accrued daily and paid monthly. The maximum annual rates of the fixed administration fee, which are a percentage of the net asset value for each series of units of each FAF Fund (other than the Excluded Series), are as follows:

Fund	Fixed Administration Fee %
Series A units	
Income Funds	
Scotia Bond Fund	0.07%
Scotia Canadian Income Fund	0.07%
Scotia Conservative Income Fund	0.10%
Scotia Global Bond Fund	0.30%
Scotia Mortgage Income Fund	0.42%
Scotia U.S. $ Bond Fund	0.06%
Balanced Funds	
Scotia Balanced Opportunities Fund	0.11%
Scotia Canadian Balanced Fund	0.09%
Scotia Diversified Monthly Income Fund	0.06%
Scotia Dividend Balanced Fund	0.08%
Scotia Global Balanced Fund	0.15%
Scotia Income Advantage Fund	0.07%
Scotia U.S. $ Balanced Fund	0.09%
Equity Funds	
Canadian and U.S. Equity Funds	
Scotia Canadian Blue Chip Fund	0.11%
Scotia Canadian Dividend Fund	0.06%
Scotia Canadian Growth Fund	0.13%
Scotia Canadian Small Cap Fund	0.26%
Scotia Resource Fund	0.16%
Scotia U.S. Blue Chip Fund	0.25%
Scotia U.S. Dividend Fund	0.24%
Scotia U.S. Opportunities Fund	0.37%
International Equity Funds	
Scotia European Fund	0.40%
Scotia International Value Fund	0.35%
Scotia Latin American Fund	0.33%
Scotia Pacific Rim Fund	0.40%
Global Equity Funds	
Scotia Global Dividend Fund	0.12%
Scotia Global Growth Fund	0.25%
Scotia Global Opportunities Fund	0.37%
Scotia Global Small Cap Fund	0.17%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Index Funds	
Scotia Canadian Bond Index Fund	0.06%
Scotia Canadian Index Fund	0.10%
Scotia International Index Fund	0.32%
Scotia Nasdaq Index Fund	0.23%
Scotia U.S. Index Fund	0.17%
Portfolio Solutions	
Scotia Selected Portfolios	
Scotia Selected Income Portfolio	0.15%
Scotia Selected Balanced Income Portfolio	0.05%
Scotia Selected Balanced Growth Portfolio	0.05%
Scotia Selected Growth Portfolio	0.05%
Scotia Selected Maximum Growth Portfolio	0.07%
Scotia Partners Portfolios	
Scotia Partners Income Portfolio	0.05%
Scotia Partners Balanced Income Portfolio	0.05%
Scotia Partners Balanced Growth Portfolio	0.04%
Scotia Partners Growth Portfolio	0.04%
Scotia Partners Maximum Growth Portfolio	0.05%
Scotia INNOVA Portfolios	
Scotia INNOVA Income Portfolio	0.03%
Scotia INNOVA Balanced Income Portfolio	0.03%
Scotia INNOVA Balanced Growth Portfolio	0.03%
Scotia INNOVA Growth Portfolio	0.03%
Scotia INNOVA Maximum Growth Portfolio	0.04%
Scotia Aria Portfolios	
Scotia Aria Conservative Build Portfolio	0.10%
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Build Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Build Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%
Pinnacle Portfolios	
Pinnacle Income Portfolio	0.15%
Pinnacle Balanced Portfolio	0.08%
Pinnacle Growth Portfolio	0.15%
Series D units	
Balanced Funds	
Scotia Balanced Opportunities Fund	0.11%
Scotia Canadian Balanced Fund	0.09%
Scotia Diversified Monthly Income Fund	0.06%
Scotia Dividend Balanced Fund	0.08%
Scotia Global Balanced Fund	0.15%
Scotia Income Advantage Fund	0.07%
Index Funds	
Scotia Canadian Bond Index Fund	0.06%
Scotia Canadian Index Fund	0.10%
Scotia International Index Fund	0.32%
Scotia Nasdaq Index Fund	0.23%
Scotia U.S. Index Fund	0.17%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Series F units	
Income Funds	
Scotia Canadian Income Fund	0.07%
Scotia Global Bond Fund	0.30%
Scotia Mortgage Income Fund	0.42%
Scotia Private American Core-Plus Bond Pool	0.10%
Scotia Private High Yield Income Pool	0.05%
Scotia Private Income Pool	0.08%
Scotia U.S. $ Bond Fund	0.06%
Balanced Funds	
Scotia Balanced Opportunities Fund	0.11%
Scotia Canadian Balanced Fund	0.09%
Scotia Diversified Monthly Income Fund	0.06%
Scotia Private Strategic Balanced Pool	0.10%
Equity Funds	
Canadian and U.S. Equity Funds	
Scotia Canadian Dividend Fund	0.06%
Scotia Canadian Growth Fund	0.13%
Scotia Canadian Small Cap Fund	0.26%
Scotia Private Canadian Growth Pool	0.10%
Scotia Private Canadian Mid Cap Pool	0.10%
Scotia Private Canadian Small Cap Pool	0.10%
Scotia Private Canadian Value Pool	0.10%
Scotia Private U.S. Large Cap Growth Pool	0.10%
Scotia Private U.S. Mid Cap Growth Pool	0.10%
Scotia Private U.S. Mid Cap Value Pool	0.10%
Scotia Private U.S. Value Pool	0.10%
Scotia Resource Fund	0.16%
Scotia U.S. Blue Chip Fund	0.25%
Scotia U.S. Opportunities Fund	0.37%
International Equity Funds	
Scotia European Fund	0.40%
Scotia International Value Fund	0.35%
Scotia Latin American Fund	0.33%
Scotia Pacific Rim Fund	0.40%
Scotia Private International Equity Pool	0.10%
Scotia Private International Small to Mid Cap Value Pool	0.10%
Global Equity Funds	
Scotia Global Opportunities Fund	0.37%
Scotia Global Small Cap Fund	0.17%
Scotia Private Global Equity Pool	0.10%
Scotia Private Global Real Estate Pool	0.10%
Index Funds	
Scotia Canadian Bond Index Fund	0.06%
Scotia Canadian Index Fund	0.10%
Scotia International Index Fund	0.32%
Scotia Nasdaq Index Fund	0.23%
Scotia U.S. Index Fund	0.17%
Portfolio Solutions	
Scotia Selected Portfolios	
Scotia Selected Balanced Income Portfolio	0.05%
Scotia Selected Balanced Growth Portfolio	0.05%
Scotia Selected Growth Portfolio	0.04%
Scotia Selected Maximum Growth Portfolio	0.07%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Scotia Partners Portfolios	
Scotia Partners Balanced Income Portfolio	0.05%
Scotia Partners Balanced Growth Portfolio	0.04%
Scotia Partners Growth Portfolio	0.04%
Scotia Partners Maximum Growth Portfolio	0.05%
Series I units	
Income Funds	
Scotia Bond Fund	0.02%
Scotia Canadian Income Fund	0.02%
Scotia Floating Rate Income Fund	0.03%
Scotia Global Bond Fund	0.07%
Scotia Mortgage Income Fund	0.34%
Scotia Private American Core-Plus Bond Pool	0.03%
Scotia Private Canadian Corporate Bond Pool	0.02%
Scotia Private Canadian Preferred Share Pool	0.02%
Scotia Private Global Credit Pool	0.04%
Scotia Private High Yield Income Pool	0.03%
Scotia Private Income Pool	0.03%
Scotia Private Short-Mid Government Bond Pool	0.02%
Scotia Short Term Bond Fund	0.03%
Balanced Funds	
Scotia Dividend Balanced Fund	0.05%
Scotia Global Balanced Fund	0.05%
Equity Funds	
Canadian and U.S. Equity Funds	
Scotia Canadian Blue Chip Fund	0.06%
Scotia Canadian Dividend Fund	0.02%
Scotia Canadian Growth Fund	0.04%
Scotia Canadian Small Cap Fund	0.10%
Scotia Private Canadian All Cap Equity Pool	0.07%
Scotia Private Canadian Equity Pool	0.02%
Scotia Private Canadian Growth Pool	0.04%
Scotia Private Canadian Mid Cap Pool	0.08%
Scotia Private Canadian Small Cap Pool	0.03%
Scotia Private Canadian Value Pool	0.05%
Scotia Private Fundamental Canadian Equity Pool	0.07%
Scotia Private Real Estate Income Pool	0.10%
Scotia Private U.S. Dividend Pool	0.04%
Scotia Private U.S. Equity Pool	0.02%
Scotia Private U.S. Large Cap Growth Pool	0.07%
Scotia Private U.S. Mid Cap Growth Pool	0.04%
Scotia Private U.S. Mid Cap Value Pool	0.10%
Scotia Private U.S. Value Pool	0.03%
Scotia Resource Fund	0.10%
Scotia U.S. Blue Chip Fund	0.07%
Scotia U.S. Dividend Fund	0.03%
Scotia U.S. Opportunities Fund	0.10%
International Equity Funds	
Scotia European Fund	0.10%
Scotia International Value Fund	0.07%
Scotia Latin American Fund	0.10%
Scotia Pacific Rim Fund	0.10%
Scotia Private Emerging Markets Pool	0.07%
Scotia Private International Core Equity Pool	0.09%
Scotia Private International Equity Pool	0.04%
Scotia Private International Small to Mid Cap Value Pool	0.10%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Global Equity Funds	
Scotia Global Dividend Fund	0.05%
Scotia Global Growth Fund	0.04%
Scotia Global Opportunities Fund	0.06%
Scotia Global Small Cap Fund	0.09%
Scotia Private Global Equity Pool	0.04%
Scotia Private Global Real Estate Pool	0.03%
Index Funds	
Scotia Canadian Bond Index Fund	0.03%
Scotia Canadian Index Fund	0.06%
Scotia International Index Fund	0.09%
Scotia U.S. Index Fund	0.07%
Specialty Fund	
Scotia Private Options Income Pool	0.07%
Series K units	
Income Funds	
Scotia Canadian Income Fund	0.11%
Scotia Floating Rate Income Fund	0.11%
Scotia Mortgage Income Fund	0.46%
Scotia Private Canadian Corporate Bond Pool	0.11%
Scotia Private Canadian Preferred Share Pool	0.20%
Scotia Private High Yield Income Pool	0.11%
Scotia Private Short-Mid Government Bond Pool	0.11%
Scotia Short Term Bond Fund	0.11%
Balanced Fund	
Scotia Income Advantage Fund	0.15%
Canadian and U.S. Equity Funds	
Scotia Canadian Dividend Fund	0.20%
Scotia Canadian Small Cap Fund	0.25%
Scotia Private Canadian Equity Pool	0.20%
Scotia Private North American Dividend Pool	0.25%
Scotia Private Real Estate Income Pool	0.25%
Scotia Private U.S. Dividend Pool	0.25%
Scotia Private U.S. Equity Pool	0.25%
International Equity Fund	
Scotia Private International Core Equity Pool	0.25%
Specialty Fund	
Scotia Private Options Income Pool	0.25%
Series M units	
Income Funds	
Scotia Bond Fund	0.02%
Scotia Canadian Income Fund	0.02%
Scotia Floating Rate Income Fund	0.05%
Scotia Mortgage Income Fund	0.46%
Scotia Private Canadian Corporate Bond Pool	0.02%
Scotia Private Canadian Preferred Share Pool	0.03%
Scotia Private High Yield Income Pool	0.03%
Scotia Private Short-Mid Government Bond Pool	0.02%
Scotia Private Total Return Bond Pool	0.02%
Scotia Short Term Bond Fund	0.03%
Balanced Fund	
Scotia Income Advantage Fund	0.04%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Canadian and U.S. Equity Funds	
Scotia Canadian Dividend Fund	0.02%
Scotia Canadian Small Cap Fund	0.23%
Scotia Private Canadian Equity Pool	0.02%
Scotia Private Canadian Small Cap Pool	0.15%
Scotia Private North American Dividend Pool	0.05%
Scotia Private Real Estate Income Pool	0.06%
Scotia Private U.S. Dividend Pool	0.02%
Scotia Private U.S. Equity Pool	0.02%
Scotia Private U.S. Mid Cap Growth Pool	0.05%
Scotia Private U.S. Mid Cap Value Pool	0.08%
International Equity Fund	
Scotia Private Emerging Markets Pool	0.09%
Scotia Private International Core Equity Pool	0.18%
Global Equity Fund	
Scotia Private Global Low Volatility Equity Pool	0.10%
Specialty Fund	
Scotia Private Options Income Pool	0.10%
Series TL units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%
Series T units	
Scotia Partners Portfolios	
Scotia Partners Income Portfolio	0.05%
Scotia Partners Balanced Income Portfolio	0.05%
Scotia Partners Balanced Growth Portfolio	0.04%
Scotia Partners Growth Portfolio	0.04%
Scotia Partners Maximum Growth Portfolio	0.05%
Scotia INNOVA Portfolios	
Scotia INNOVA Income Portfolio	0.03%
Scotia INNOVA Balanced Income Portfolio	0.03%
Scotia INNOVA Balanced Growth Portfolio	0.03%
Scotia INNOVA Growth Portfolio	0.03%
Scotia INNOVA Maximum Growth Portfolio	0.04%
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%
Series TH units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%

Fees and expenses payable by the funds (cont'd)

Fund	Fixed Administration Fee %
Pinnacle Series units	
Income Funds	
Scotia Private American Core-Plus Bond Pool	0.18%
Scotia Private High Yield Income Pool	0.11%
Scotia Private Income Pool	0.07%
Balanced Fund	
Scotia Private Strategic Balanced Pool	0.30%
Canadian and U.S. Equity Funds	
Scotia Private Canadian Growth Pool	0.15%
Scotia Private Canadian Mid Cap Pool	0.24%
Scotia Private Canadian Small Cap Pool	0.22%
Scotia Private Canadian Value Pool	0.15%
Scotia Private U.S. Large Cap Growth Pool	0.27%
Scotia Private U.S. Mid Cap Growth Pool	0.50%
Scotia Private U.S. Mid Cap Value Pool	0.49%
Scotia Private U.S. Value Pool	0.21%
International Equity Funds	
Scotia Private Emerging Markets Pool	0.23%
Scotia Private International Equity Pool	0.24%
Scotia Private International Small to Mid Cap Value Pool	0.50%
Global Equity Funds	
Scotia Private Global Equity Pool	0.31%
Scotia Private Global Real Estate Pool	0.11%
Premium Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Build Portfolio	0.10%
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Build Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Build Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%
Premium TL Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%
Premium T Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%

Fund	Fixed Administration Fee %
Premium TH Series units	
Scotia Aria Portfolios	
Scotia Aria Conservative Core Portfolio	0.10%
Scotia Aria Conservative Pay Portfolio	0.10%
Scotia Aria Moderate Core Portfolio	0.10%
Scotia Aria Moderate Pay Portfolio	0.10%
Scotia Aria Progressive Core Portfolio	0.10%
Scotia Aria Progressive Pay Portfolio	0.10%

Other Fund Costs

Each FAF Fund (other than with respect to the Excluded Series) also pays certain operating expenses directly, including the costs and expenses related to the IRC of the funds, costs associated with the conversion to IFRS and the ongoing audit costs associated with compliance with IFRS, the cost of any government or regulatory requirements imposed commencing after May 14, 2014, including compliance with Canadian OTC derivatives trade reporting rules, compliance with the "Volcker Rule" under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and other applicable U.S. regulations, and any new types of costs, expenses or fees not incurred prior to May 14, 2014, including those related to external services that were not commonly charged in the Canadian mutual fund industry as of May 14, 2014, any fee introduced after May 14, 2014 by a securities regulator or other government authority that is based on the assets or other criteria of the funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST or HST, as applicable).

The purchase price of all securities and other property acquired by or on behalf of the FAF Funds (including, but not limited to, brokerage fees, commissions and service charges paid in connection with the purchase and sale of such securities and other property) are considered capital costs paid directly by the FAF Funds and therefore are not considered part of the operating expenses of the FAF Funds paid by the Manager.

Other fund costs will be allocated among FAF Funds and each series of a FAF Fund (other than the Excluded Series) is allocated its own expenses and its proportionate share of the other fund costs that are common to all series (other than the Excluded Series). Currently, each member of the IRC is entitled to an annual retainer of $45,000 ($60,000 for the Chair), and a per meeting fee of $2,000. Each investment fund managed by the Manager for which the IRC has been appointed pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each fund's share of the IRC's compensation will be disclosed in the funds' financial statements. The Manager may, in some years and in certain cases, pay a portion of a series' fixed administration fee or other fund costs. The fixed administration fee and other fund costs are included in the management expense ratio of each series of a FAF Fund (other than the Excluded Series).

Fees and expenses payable by the funds (cont'd)

Transitional adjustment payment

If in any month from August 22, 2014 to December 31, 2016 the aggregate month end net asset value of all of the Participating Series (as defined below) falls below 90% of the Starting Asset Level (as defined below), the Manager will be entitled to receive a transitional adjustment payment ("Transitional Adjustment Payment") for that month from all of the Participating Series, in addition to the fixed administration fee. In all cases, in the event that the Transitional Adjustment Payment is payable in any month, the maximum amount that a Participating Series' fixed administration fee may increase is 0.03% (i.e. three basis points) in per annum terms.

The Transitional Adjustment Payment in any month up to December 31, 2016, if payable, will be equal to: (i) the fixed administration fee that would have been payable to the Manager had the aggregate net asset value of all of the Participating Series equaled 90% of the Starting Asset Level for that month; (ii) less the fixed administration fee payable for that month. The Transitional Adjustment Payment is payable monthly.

The Transitional Adjustment Payment for any month will be allocated proportionately among all of the Participating Series based on the fixed administration fee payable for that month by each Participating Series and therefore each Participating Series will pay its proportionate share of a Transitional Adjustment Payment regardless of whether such Participating Series' net asset value remained constant, increased or decreased since August 22, 2014.

For the purposes of the preceding three paragraphs:

- "Participating Series" means each series of ScotiaFunds (other than those ScotiaFunds that are classes of Scotia Corporate Class Inc.), that as of August 22, 2014 is subject to a fixed administration fee; and
- "Starting Asset Level" means the aggregate net asset value of the Participating Series as at the close of business on August 22, 2014.

Management expense ratio

Each FAF Fund (other than with respect to the Excluded Series) pays the following expenses relating to its operation and the carrying on of its activities: (a) management fees paid to the Manager for providing general management services; (b) the fixed administration fee (and, until December 31, 2016, possibly a Transitional Adjustment Payment) paid to the Manager; and (c) other fund costs (and taxes).

Each of Excluded Fund and Excluded Series pays all of the expenses relating to its operation and the carrying on of its activities, including: (a) management fees paid to the Manager for providing general management services; (b) operating expenses such as legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, custodial fees, taxes, unitholder communication costs and other administration costs; and (c) all taxes.

The expenses outlined in the previous two paragraphs are expressed annually by each series of each fund as its annual management expense ratio ("MER") which are the total expenses including, where applicable, a proportionate share of underlying fund expenses indirectly borne by the fund, of each series of the fund for the year expressed as a percentage of the series of the fund's average daily net asset value during the year, calculated in accordance with applicable securities legislation. Portfolio transaction costs and derivatives transaction costs are not included in the MER.

Scotia Mortgage Income Fund

Scotia Mortgage Income Fund pays Scotia Mortgage Corporation, a wholly-owned subsidiary of Scotiabank, a fee for administering all mortgages it holds. The fee is equal to an annualized rate of 3/8 of 1% of the average net asset value of the mortgages.

Fees and expenses payable directly by you

Sales charges

None

Redemption fee

None

Fee-based account fee

Series F units are generally only open to investors who have fee-based accounts with authorized brokers or dealers. Series F investors may be charged an investment advisory fee by their broker or dealer. For the purposes of Series F units of the Scotia Private Pools held in accounts at ScotiaMcLeod, this investment advisory fee will be up to 1.5%. The amount of this advisory fee is negotiated between you and your broker or dealer.

Fees and expenses payable directly by you (cont'd)

Series I management fees	Management fees for series I units of a fund are negotiated and paid directly by the investor, not by the fund. The maximum Series I management fee than may be payable for a fund will not exceed the Series A or Pinnacle Series management fees of the fund. If the fund does not offer Series A or Pinnacle Series, the management fee will not exceed 1.5%.
SIP fees	Fees for participation in the SIP are based on the size of investment as disclosed in the ScotiaMcLeod SIP agreement and paid directly by the investor, not by the fund.
Switch fee	None
Short-term trading fee	To discourage short-term trading, a fund may charge a fee of 2% of the amount you sell or switch, if you sell or switch your units within 31 days of buying them. For additional information please see *Short-term trading fee*.
Registered Plan fees	If you invest through a Registered Plan available from Scotia Securities Inc. then a withdrawal or transfer fee of up to $50 may apply. If you invest through Registered Plan with another Scotiabank dealer or another financial institution then you can contact your broker or dealer at the other financial institution to determine if they charge any Registered Plan fees.
Other fees	• Pre-Authorized Contributions: None • Automatic Withdrawal Plan: None

Impact of sales charges

The funds are no-load. That means you do not pay a sales commission when you buy, switch or sell units of these funds through Scotia Securities Inc., Scotia McLeod or Scotia iTRADE. You may pay a sales commission or other fee if you buy, switch or sell units through other registered brokers or dealers.

Dealer compensation

This section explains how we compensate brokers and dealers when you invest in Series A, Series D, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the funds.

Trailing commissions

We may pay Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE or other brokers and dealers a trailing commission on Series A, Series D, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units. We do not pay trailing commissions on Series F, Series I, Series K, Series M or Pinnacle Series units. The fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of units of applicable series investors are holding of each fund sold by a broker or dealer at the following annual rates:

Fund	Maximum annual trailing commission rate
Scotia Premium T-Bill Fund Scotia Canadian Bond Index Fund (Series D) Scotia Canadian Index Fund (Series D) Scotia International Index Fund (Series D) Scotia Nasdaq Index Fund (Series D) Scotia U.S. Index Fund (Series D)	up to 0.10%
Scotia Diversified Monthly Income Fund (Series D units) Scotia Income Advantage Fund (Series D units) Scotia Canadian Balanced Fund (Series D units) Scotia Dividend Balanced Fund (Series D units) Scotia Balanced Opportunities Fund (Series D units) Scotia Global Balanced Fund (Series D units)	up to 0.25%
Scotia T-Bill Fund Scotia Money Market Fund (Series A units) Scotia Conservative Income Fund Scotia U.S. $ Money Market Fund	up to 0.50%
Scotia Canadian Income Fund Scotia Bond Fund Scotia Canadian Bond Index Fund (Series A) Scotia Canadian Index Fund (Series A) Scotia International Index Fund (Series A) Scotia Nasdaq Index Fund (Series A) Scotia U.S. Index Fund (Series A)	up to 0.55%
Scotia Mortgage Income Fund	up to 0.625%

Fund	Maximum annual trailing commission rate
Scotia U.S. $ Bond Fund Scotia Global Bond Fund	up to 0.75%
Scotia Diversified Monthly Income Fund (Series A units) Scotia Canadian Balanced Fund (Series A units) Scotia Income Advantage Fund (Series A units) Scotia U.S. $ Balanced Fund Scotia Dividend Balanced Fund (Series A units) Scotia Global Balanced Fund (Series A units) Scotia Canadian Blue Chip Fund Scotia Canadian Growth Fund Scotia Canadian Small Cap Fund Scotia Resource Fund Scotia U.S. Blue Chip Fund Scotia Global Dividend Fund Scotia Global Growth Fund Scotia European Fund Scotia Pacific Rim Fund Scotia U.S. Dividend Fund Scotia U.S. Opportunities Fund Scotia International Value Fund Scotia Global Opportunities Fund Scotia Global Small Cap Fund Scotia Selected Income Portfolio Scotia Partners Income Portfolio Scotia Aria Portfolios Scotia INNOVA Portfolios	up to 1.00%
Scotia Canadian Dividend Fund	up to 1.10%
Scotia Balanced Opportunities Fund (Series A units)	up to 1.125%
Scotia Partners Balanced Income Portfolio Scotia Partners Balanced Growth Portfolio Scotia Partners Growth Portfolio Scotia Partners Maximum Growth Portfolio Scotia Selected Balanced Income Portfolio Scotia Selected Balanced Growth Portfolio Scotia Selected Growth Portfolio Scotia Selected Maximum Growth Portfolio Scotia Latin American Fund	up to 1.25%
Pinnacle Portfolios	up to 1.30%

We also pay trailing commissions to the discount broker for units you purchase through your discount brokerage account.

Sales incentive programs

Members of Scotiabank may include sales of units of the funds in their general employee incentive programs. These programs involve many different Scotiabank products. We may offer other incentive programs, as long as Canadian securities regulators approve them.

Neither the funds nor their unitholders pay any charges for incentive programs.

Equity interests

The Bank of Nova Scotia owns, directly or indirectly, 100% of Scotia Securities Inc. and Scotia Capital Inc. (which includes HollisWealth, ScotiaMcLeod and Scotia iTRADE) and HollisWealth Advisory Services Inc. Each of the above dealers may sell units of the funds.

Dealer compensation from management fees

The cost of the sales and trailing commissions and sales incentive programs was approximately 47.29% of the total management fees we received from all of the ScotiaFunds during the financial year ended December 31, 2015.

Income tax considerations for investors

This section is a general summary of how Canadian federal income taxes affect your investment in a fund. It assumes that you:

- are an individual (other than a trust);
- are a Canadian resident;
- deal with the fund at arm's length; and
- hold your units as capital property.

This summary assumes that the each of the funds will qualify as a "mutual fund trust" within the meaning of the *Tax Act* at all material times. A fund in the future may not qualify as a "mutual fund trust" and, in that event, reference is made to "Income Tax Considerations for Investors – Taxation of the Funds" in the annual information form of the funds. This section is not exhaustive and your situation may be different. You should consult a tax advisor about your own situation.

Units held in a non-registered account

You must include in your income each year the net income and the taxable portion of any capital gains of a fund paid or payable to you in the year by the fund (including Management Fee Distributions), whether you receive these amounts in cash or in additional units of the fund. These amounts are taxed as if you earned them directly and you can claim any tax credits that apply to that income. Returns of capital are not taxable to you and generally will reduce the adjusted cost base of your units of the fund.

The price of a unit of a fund may include income and/or capital gains that the fund has earned, but not yet realized and/or distributed. If you buy units of a fund before it makes a distribution, the distribution you receive may be taxable to you even though the fund earned the amount before you invested in the fund. For example, the fund may make its only, or most significant, distribution in December. If you purchase units late in the year, you may have to pay tax on

your proportionate share of the income and capital gains earned by the fund for the whole year, even though you were not invested in the fund during the whole year.

If a fund's portfolio has a high turnover rate, the fund will recognize gains and losses for tax purposes more frequently than a fund with a lower turnover rate.

When you dispose of a unit of a fund, including a redemption or a switch of units of a fund for units of another fund or to pay the amount of any applicable deferred sales charges, you may realize a capital gain or loss. Your capital gain or capital loss will be equal to the difference between the proceeds of disposition (generally, the value received on the disposition less any reasonable disposition costs such as deferred sales charges) and your adjusted cost base of the unit. The reclassification of units of one series of a fund as units of a different series of the same fund will not be considered a disposition for tax purposes and accordingly, you will realize neither a gain nor a loss as a result of the reclassification. If you reclassify units of a fund, the cost of the series of units of the fund acquired on the reclassification will be the same as the adjusted cost base of the series of units of the fund reclassified immediately before the reclassification. The cost will be averaged with the adjusted cost base of other units of such series of the fund held or subsequently acquired by you.

You must calculate the adjusted cost base of your units separately for each series of units of a fund that you own. In general, the aggregate adjusted cost base of your units of a series of a fund is:

- the total amount paid for all your units of that series of the fund (including any sales charges paid);
- plus distributions reinvested (including Management Fee Distributions) in additional units of that series of the fund;
- minus the return of capital component of distributions in respect of units of that series of the fund; and
- minus the adjusted cost base of any units of that series you have previously redeemed or otherwise disposed of.

The adjusted cost base of each of your units of a series of a fund will generally be equal to the aggregate adjusted cost base of all units of that series of the fund held by you at the time of the disposition divided by the total number of units of that series of the fund held by you. To the extent that the adjusted cost base of your units of a series of a fund would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by you in the year and your adjusted cost base of such unit will be increased by the amount of such deemed capital gain. You should keep detailed records of the purchase cost of your units and distributions you receive so you can calculate the adjusted cost base of your units.

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 your taxable capital gains for the year. Generally, any excess of your allowable capital loss over your taxable capital gains for the year may be carried back up to three taxation years or forward indefinitely and deducted against taxable capital gains in other years.

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

Prior to March 15th in each year, we will issue to you a tax slip that shows you how much of each type of income and returns of capital, the fund has distributed to you. You may be able to claim any tax credits that apply to that income.

Units held in a Registered Plan

Provided a fund is a "mutual fund trust" or a "registered investment" for purposes of the *Tax Act* at all material times, units of the fund will be "qualified investments" for Registered Plans.

Provided that the annuitant or holder of a RRSP, RRIF or TFSA (i) deals at arm's length with a 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.

If you hold units of a fund in a Registered Plan, you do not pay any tax on distributions paid or payable from the fund or on any capital gains realized from redeeming or switching units held inside the plan. Withdrawals from Registered Plans (other than TFSAs) may be subject to tax.

Please see the annual information form of the funds for additional tax information.

Portfolio turnover rate

Each fund discloses its portfolio turnover rate in its management report of fund performance. A fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the fund buying and selling all of the securities in its portfolio one time in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the likelihood that gains or losses will be realized by the fund. Any distribution of net income or the taxable portion of the net realized capital gains paid or payable by the fund to you, in a non-registered account, must be included in your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units 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 must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Additional information about each fund is available in its annual information form, its most recently filed Fund Facts, its most recently filed annual financial statements and interim financial reports and its most recently filed annual and interim management reports of fund performance. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed in it.

You can get a copy of the these documents, at your 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 asking 1832 Asset Management L.P.

You will also find these documents on our website at www.scotiafunds.com, www.scotiabank.com/scotiaprivatepools or www.scotiabank.com/pinnacleportfolios.

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

ScotiaFunds®
Scotia Private Pools®
Pinnacle Portfolios

Simplified Prospectus

Cash Equivalent Funds

Scotia Money Market Fund (Series A, Series I, Series K and Series M units)
Scotia Premium T-Bill Fund (Series A units)
Scotia Private Short Term Income Pool (Pinnacle Series and Series F units)
Scotia T-Bill Fund (Series A units)
Scotia U.S. $ Money Market Fund (Series A and Series M units)

Income Funds

Scotia Bond Fund (Series A, Series I and Series M units)
Scotia Canadian Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Conservative Income Fund (Series A units)
Scotia Floating Rate Income Fund (Series I, Series K and Series M units)
Scotia Global Bond Fund (Series A, Series F and Series I units)
Scotia Mortgage Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private American Core-Plus Bond Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Corporate Bond Pool (Series I, Series K and Series M units)
Scotia Private Canadian Preferred Share Pool (Series I, Series K and Series M units)
Scotia Private Global Credit Pool (Series I units)
Scotia Private High Yield Income Pool (Pinnacle Series, Series F, Series I, Series K and Series M units)
Scotia Private Income Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Short-Mid Government Bond Pool (Series I, Series K and Series M units)
Scotia Private Total Return Bond Pool (Series M units)
Scotia Short Term Bond Fund (Series I, Series K and Series M units)
Scotia U.S. $ Bond Fund (Series A and Series F units)

Balanced Funds

Scotia Balanced Opportunities Fund (Series A, Series D and Series F units)
Scotia Canadian Balanced Fund (Series A, Series D and Series F units)
Scotia Diversified Monthly Income Fund (Series A, Series D and Series F units)
Scotia Dividend Balanced Fund (Series A, Series D and Series I units)
Scotia Global Balanced Fund (Series A, Series D and Series I units)
Scotia Income Advantage Fund (Series A, Series D, Series K and Series M units)
Scotia Private Strategic Balanced Pool (Pinnacle Series and Series F units)
Scotia U.S. $ Balanced Fund (Series A units)

Equity Funds

Canadian and U.S. Equity Funds

Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)
Scotia Canadian Dividend Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Canadian Growth Fund (Series A, Series F and Series I units)
Scotia Canadian Small Cap Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private Canadian All Cap Equity Pool (Series I units)
Scotia Private Canadian Equity Pool (Series I, Series K and Series M units)
Scotia Private Canadian Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Mid Cap Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Small Cap Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private Canadian Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Fundamental Canadian Equity Pool (Series I units)
Scotia Private North American Dividend Pool (Series K and Series M units)
Scotia Private Real Estate Income Pool (Series I, Series K and Series M units)
Scotia Private U.S. Dividend Pool (Series I, Series K and Series M units)
Scotia Private U.S. Equity Pool (Series I, Series K and Series M units)
Scotia Private U.S. Large Cap Growth Pool (Pinnacle Series, Series F and Series I units)
Scotia Private U.S. Mid Cap Growth Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private U.S. Mid Cap Value Pool (Pinnacle Series, Series F, Series I and Series M units)
Scotia Private U.S. Value Pool (Pinnacle Series, Series F and Series I units)
Scotia Resource Fund (Series A, Series F and Series I units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)
Scotia U.S. Dividend Fund (Series A and Series I units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)

International Equity Funds

Scotia European Fund (Series A, Series F and Series I units)
Scotia International Value Fund (Series A, Series F and Series I units)
Scotia Latin American Fund (Series A, Series F and Series I units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)
Scotia Private Emerging Markets Pool (Pinnacle Series, Series I and Series M units)
Scotia Private International Core Equity Pool (Series I, Series K and Series M units)
Scotia Private International Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private International Small to Mid Cap Value Pool (Pinnacle Series, 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 and Series I units)
Scotia Global Opportunities Fund (Series A, Series F and Series I units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)
Scotia Private Global Equity Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Global Low Volatility Equity Pool (Series M units)
Scotia Private Global Real Estate Pool (Pinnacle Series, Series F and Series I 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 International Index Fund (Series A, Series D, Series F and Series I units)
Scotia Nasdaq Index Fund (Series A, Series D and Series F units)
Scotia U.S. Index Fund (Series A, Series D, Series F and Series I units)

Specialty Fund

Scotia Private Options Income Pool (Series I, Series K and Series M units)

Portfolio Solutions

Scotia Selected® Portfolios

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

Scotia Partners Portfolios®

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

Scotia INNOVA Portfolios®

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

Scotia Aria™ Portfolios

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

Pinnacle Portfolios

Pinnacle Income Portfolio (Series A units)
Pinnacle Balanced Portfolio (Series A units)
Pinnacle Growth Portfolio (Series A units)

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