

Scotia Income Advantage Fund - Series A

Global Neutral Balanced

Investment Objective

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.

Reasons for Investing

- Flexible approach to generating income.
- Monthly fixed distributions.
- Lower volatility through active risk management.

Risk Rating



Time Horizon — Long

FUND ESSENTIALS

Inception Date	July 6, 2011
Total Assets \$mil	177.22
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	25
Income Distribution	Monthly
Capital Distribution	Annually
MER % (as of 12/31/2017)	1.90
NAV \$	10.41
Benchmark	50% S&P/TSX Composite Index, 50% FTSE TMX Canada Universe Bond Index

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS309
D	No Load	CAD	BNS109

Portfolio Manager(s)

Oscar Belaiche 1832 Asset Management L.P.
Domenic Bellissimo 1832 Asset Management L.P.

Management 1832 Asset Management L.P.

Telephone 1-800-268-9269

Website www.scotiafunds.com

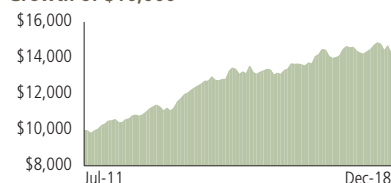
PERFORMANCE & PORTFOLIO ANALYSIS

Compound returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Incep.
Fund	-2.84	-3.42	-1.37	-2.09	2.18	3.58	--	4.86

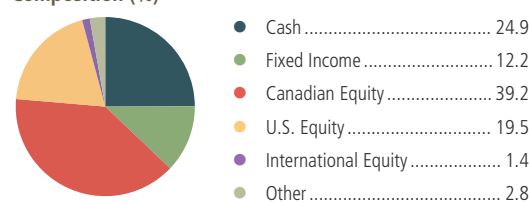
Calendar Year Returns (%)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	-2.09	6.11	2.70	4.38	7.07	10.18	5.96	--	--	--	--

Distributions (\$/unit)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.42	0.42	0.42	0.65	0.42	0.42	0.42	0.21	--	--	--
Interest	--	--	--	--	--	0.02	0.03	0.09	--	--	--
Dividends	--	0.09	0.03	--	0.11	0.22	0.17	0.01	--	--	--
Capital Gains	--	0.32	--	0.65	0.19	--	--	--	--	--	--
Return of Capital (ROC)	--	0.01	0.39	--	0.12	0.18	0.22	0.11	--	--	--

Growth of \$10,000



Composition (%)



Top 10 Holdings

Scotia Total Return Bond LP Series I	% Assets
Scotia Money Market Fund	
Dynamic Credit Spectrum Fund Sr O	
Dynamic High Yield Bond Fund Ser O	
US Treasury T/B 050919	
TREASURY BILL T/B 020719	
United States T/B 011019	
BCE Inc.	
Comcast Corp. -CI A	
Johnson & Johnson	

Total

% Assets

Geographic Allocation (%)

Canada	71.2
United States of America	26.7
Ireland	1.4
United Kingdom	0.7

Fixed Income Breakdown (%)

Government Bonds	3.6
Corporate Bonds	23.3
Other Bonds	3.2
Short-term investments (Cash & Other)	67.3
Mortgage Backed Securities	0.5
REITs	2.2

Total Portfolio Holdings

Stock Holdings	49
Bond Holdings	71
Other Holdings	21
Total Number of Underlying Holdings	141

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MANAGER BIO



Oscar Belaiche
Manager Since January 1, 2018
1832 Asset Management L.P

Oscar is Senior Vice President & Portfolio Manager at 1832 Asset Management L.P. He joined 1832 Asset Management L.P in 1997 and currently heads Dynamic's awardwinning Equity Income team, managing over \$8.0 billion in assets. Oscar graduated in 1980 with an Honours B.A. in Business Administration from the University of Western Ontario. He has his Chartered Financial Analyst designation and is a Fellow of the Institute of Canadian Bankers.



Domenic Bellisimo
Manager Since November 1, 2011
1832 Asset Management L.P

Domenic joined 1832 Asset Management L.P. in 2005. He is a key member of the fixed income team. Domenic has 19 years of industry experience and brings in-depth knowledge and a disciplined process to corporate credit analysis. Before joining 1832 Asset Management L.P., he was a senior analyst of public markets at OMERS (Ontario Municipal Employees Retirement System) for three years and worked in Scotiabank's global risk management division for four years. Domenic has an MBA from York University and received his CFA designation in 2001.

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1832 Asset Management L.P., as Manager of the ScotiaFunds, may compensate its staff and any appointed sub-distributor by regular payments based on the net asset value (NAV) of units held by investors. For further details, please refer to the Simplified Prospectus.