

Scotia Canadian Income Fund - Series A

Canadian Fixed Income

Investment Objective

The Fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in i) bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations, ii) money market instruments issued by Canadian corporations, These include commercial paper, bankers' acceptances, mortgagebacked securities and guaranteed investment certificates, iii) high-quality dividend-paying shares of Canadian corporations.

Reasons for Investing

- Core bond exposure and flexibility to adjust exposure to corporate bonds and other high income securities to enhance overall portfolio yield.
- Invests primarily in investment grade Canadian corporate and government securities.
- Provides diversification by owning a number of fixed income securities, lessening the impact of any one single bond's performance.

Risk Rating



Time Horizon — Medium-Long

FUND ESSENTIALS

Inception Date	November 1, 1957
Total Assets \$mil	580.84
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	25
Income Distribution	Monthly
Capital Distribution	Annually
MER % (as of 12/31/2017)	1.30
NAV \$	13.33
Benchmark	FTSE TMX Canada Universe Bond Index

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS377
F	No Load	CAD	BNS577
Adv*	Deferred Sales	CAD	BNS977
Adv*	Front End	CAD	BNS777
Adv*	Low Load	CAD	BNS877

* All advisor series funds are closed to new investment effective June 25, 2015.

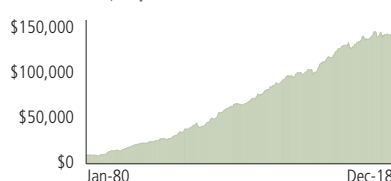
Portfolio Manager(s)

Romas Budd 1832 Asset Management L.P.

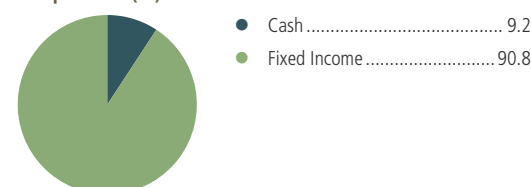
PERFORMANCE & PORTFOLIO ANALYSIS

Compound returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr			
Fund	1.99	3.00	2.46	2.56	2.17	1.92	2.67	3.71			
Calendar Year Returns (%)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	2.56	1.78	1.44	0.81	6.90	-2.16	3.34	7.60	6.46	8.96	-0.24
Distributions (\$/unit)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.46	0.30	0.56	0.23	0.28	0.38	0.39	0.32	0.39	0.45	0.46
Interest	--	0.30	0.38	0.23	0.28	0.29	0.31	0.32	0.39	0.45	0.46
Dividends	--	--	--	--	--	--	--	--	--	--	--
Capital Gains	--	--	--	--	--	0.09	0.08	--	--	--	--
Return of Capital (ROC)	--	--	0.17	--	--	--	--	--	--	--	--

Growth of \$10,000



Composition (%)



Credit Quality* (%)

High (AAA, AA)	70.8
Medium (A, BBB)	29.2
Average Maturity (years)	9.7
Average Duration (years)	7.6

Top 10 Holdings

	% Assets
Canada Government 5.75% 060133	23.7
Canada Government 5.75% 060129	14.4
Ontario Province 6.5% 030829	10.2
Canada Government 0.75% 080119	7.7
CANADA HOUSING TRUST 2.65% 031528	6.0
Canada Housing Trust 2.35% 061527	4.0
CANADA HOUSING TRUST 2.65% 121528	2.4
CANADIAN NAT RAILWAY 3.95% 032245-092245	1.0
TORONTO-DOMINION BANK 3.226% 072424	1.0
Bell Canada 3.80% 052128-082128	1.0

Total

71.4

Geographic Allocation (%)

Canada	96.1
United States of America	3.9

Fixed Income Breakdown (%)

Government Bonds	62.4
Corporate Bonds	27.3
Short-term investments (Cash & Other)	9.2
Asset Backed securities	1.1

Total Portfolio Holdings

Stock Holdings	0
Bond Holdings	56
Other Holdings	4
Total Number of Underlying Holdings	60



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MANAGER BIO



Romas Budd

Manager Since August 1, 1990

1832 Asset Management L.P.

Romas Budd is Vice President & Portfolio Manager at 1832 Asset Management L.P. Romas started in the investment industry in 1984 and has been at 1832 Asset Management L.P. and predecessor companies for the past 20 years. Romas is an Honours graduate of the Bachelor of Science program at McMaster University and obtained a Masters of Business Administration from the University of Toronto.

Management 1832 Asset Management L.P.

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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.