

Scotia Diversified Monthly Income Fund - Series A

Canadian Neutral Balanced

Investment Objective

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.

Reasons for Investing

- A monthly stream of cash flow to supplement current income needs and the potential for some capital appreciation.
- Typically uses three primary sources of income to generate cash flow: Canadian bonds, mortgages and conservative higher dividend-paying equities.
- Balancing exposure to two main asset classes reduces overall volatility, making it suitable for a conservative investor seeking measured stock and bond exposure.

Risk Rating



Time Horizon — Medium-Long

FUND ESSENTIALS

Inception Date	June 20, 2005
Total Assets \$mil	2,905.27
Min. Initial Inv.(\$)	500
Min. Additional Inv.(\$)	25
Income Distribution	Monthly
Capital Distribution	Annually
MER % (as of 12/31/2017)	1.46
NAV \$	10.99
Benchmark	50% S&P/TSX Composite Index, 50% FTSE TMX Canada Universe Bond Index

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	BNS339
D	No Load	CAD	BNS139
F	No Load	CAD	BNS539
Adv*	Deferred Sales	CAD	BNS939
Adv*	Front End	CAD	BNS739
Adv*	Low Load	CAD	BNS839

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

Portfolio Manager(s)

Oscar Belaiche 1832 Asset Management L.P.
Romas Budd 1832 Asset Management L.P.

Management 1832 Asset Management L.P.

Telephone 1-800-268-9269

Website www.scotiafunds.com

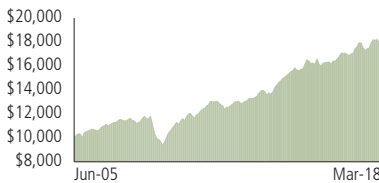
PERFORMANCE & PORTFOLIO ANALYSIS

Compound returns (%)	1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Fund	-0.46	-1.59	1.98	1.48	4.27	2.85	5.16	4.62

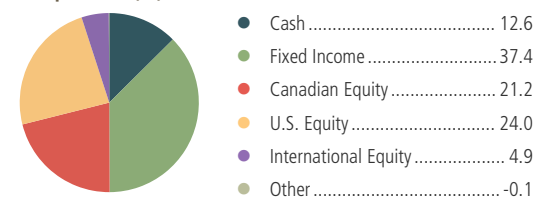
Calendar Year Returns (%)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	-1.59	6.52	4.49	3.38	7.73	9.59	5.10	0.26	9.22	17.40	-13.46

Distributions (\$/unit)	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.09	0.39	0.36	0.57	0.36	0.36	0.36	0.36	0.36	0.36	0.50
Interest	--	--	0.03	--	--	0.01	0.04	0.05	0.07	0.11	0.36
Dividends	--	0.15	0.13	0.13	0.16	0.18	0.17	0.16	0.16	0.16	0.14
Capital Gains	--	0.24	0.01	0.43	0.20	--	--	--	--	--	--
Return of Capital (ROC)	--	--	0.19	--	--	0.17	0.15	0.15	0.13	0.09	--

Growth of \$10,000



Composition (%)



Top 10 Holdings

Scotia Canadian Income Fund	
Scotia Private Canadian Corporate Bond Pool	
Fortis Inc.	
Cdn Apartment Properties REIT	
Suncor Energy Inc.	
Costco Wholesale Corp.	
Canadian Pacific Railway Ltd.	
Bank of Nova Scotia	
Comcast Corp. -CI A	
McDonald's Corp.	

Total

% Assets

Geographic Allocation (%)

Canada	68.1
United States of America	26.7
United Kingdom	2.3
Ireland	1.3
Sweden	0.5

Fixed Income Breakdown (%)

Government Bonds	32.7
Corporate Bonds	39.9
Other Bonds	0.7
Short-term investments (Cash & Other)	25.2
Mortgage Backed Securities	0.1
Asset Backed securities	1.0
REITs	0.4

Total Portfolio Holdings

Stock Holdings	80
Bond Holdings	128
Other Holdings	12
Total Number of Underlying Holdings	220

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MANAGER BIO



Oscar Belaiche
Manager Since November 1, 2011
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.



Romas Budd
Manager Since November 1, 2011
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.

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Fund prices are provided for information purposes only. All information pertains to Series A units of the fund unless stated otherwise. Units of the fund are only available for sale to residents of Canada, unless the laws of a foreign jurisdiction permit sales to its residents. Please contact your financial advisor for more details. The contents of this document should not be considered an offer to sell to, or a solicitation to buy mutual fund units from, any person in a jurisdiction where such offer or solicitation is considered unlawful.

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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.