ScotiaFunds®

Annual Information Form

October 9, 2018

1832 AM Investment Grade U.S. Corporate Bond Pool (Series I units)
Scotia Private Diversified International Equity Pool (Series I units)
Scotia Private International Growth Equity Pool (Series I units)

Scotia Aria® Portfolios
Scotia Aria Equity Build Portfolio (Premium Series units)
Scotia Aria Equity Defend Portfolio (Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Equity Pay Portfolio (Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

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

The Funds and the securities they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission and may be offered and sold in the United States only in reliance on exemptions from registration.

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NAMES AND FORMATION OF THE FUNDS

This is the annual information form of the 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool, Scotia Private International Growth Equity Pool, Scotia Aria Equity Build Portfolio, Scotia Aria Equity Defend Portfolio and Scotia Aria Equity Pay Portfolio (in this document we refer to these funds individually as a "**Fund**" or collectively as the "**Funds**"). The Funds are a family of mutual funds consisting of open-end mutual fund trusts governed under the laws of Ontario.

1832 Asset Management L.P. (the "**Manager**", "**Trustee**", "**we**", "**us**" or "**our**") is the manager and the trustee of the Funds. The head office of the Manager and of the Funds is located at 1 Adelaide Street East, 28th Floor, Toronto, Ontario, M5C 2V9. The Manager can also be contacted via telephone toll-free, at 1-800-268-9269 (416-750-3863 in Toronto) or via email through its website at www.scotiabank.com. Information regarding the Manager can be obtained on its website at www.scotiafunds.com.

The Scotia Aria Equity Build Portfolio, Scotia Aria Equity Defend Portfolio and the Scotia Aria Equity Pay Portfolio are collectively referred to as the "**Scotia Aria Portfolios**".

Each of the Funds was established under the laws of Ontario and is governed by an amended and restated master declaration of trust dated August 20, 2015, as amended on September 2, 2015, January 6, 2016, June 24, 2016, November 14, 2016, September 21, 2017, November 14, 2017, September 27, 2018 and October 9, 2018 and as may be amended from time to time (the "**Master Declaration of Trust**"). For additional information concerning the Master Declaration of Trust, you should refer to *Material Contracts – Master Declaration of Trust* in this annual information form.

The Manager is the trustee and manager of the Funds. The head office of the Manager and of the Funds is located at 1 Adelaide Street East, 28th Floor, Toronto, Ontario, M5C 2V9.

INVESTMENT RESTRICTIONS AND PRACTICES

The simplified prospectus of the Funds contains detailed descriptions of the respective investment objectives, investment strategies and risk factors for each of the Funds. In addition, the Funds are subject to certain restrictions and practices contained in securities laws, including National Instrument 81-102 – *Investment Funds* ("**NI 81-102**"), which are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the appropriate administration of the Funds. Except for the deviations described below, each Fund is managed in accordance with these restrictions and practices. The Funds have permission from securities regulatory authorities to deviate from certain provisions of NI 81-102 and from certain provisions of securities laws as described below.

The fundamental investment objectives of a Fund may not be changed without the approval of a majority of voting unitholders of the Fund.

Each Fund will not engage in any undertaking other than the investment of its assets in property for the purposes of the Tax Act. The Funds that are or intend to become registered

investments under the Tax Act will not acquire an investment that is not a "prescribed investment" under the Tax Act if, as a result thereof, the Fund would become subject to tax under Part X.2 of the Tax Act.

The restrictions and practices so adopted are incorporated herein by reference and a copy will be furnished upon request addressed to the distributor of the Fund.

Self-Dealing Restrictions

Offerings Involving a Related Underwriter

The Funds are considered dealer managed investment funds and follow the dealer manager provisions prescribed by NI 81-102.

The Funds cannot knowingly make an investment during, or for 60 days after, the period in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in an offering of equity securities (the "**Prohibition Period**"), unless the offering is being made under a prospectus and such purchases are made in compliance with the approval requirements of National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**").

The Funds, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

(a) purchase securities of a Canadian reporting issuer which are (i) equity securities, or (ii) convertible securities, such as special warrants, which automatically permit the holder to purchase, convert or exchange such convertible securities into other equity securities of the reporting issuer once such other equity securities are listed and traded on an exchange, pursuant to a private placement during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer;

(b) purchase non-government debt securities which do not have an approved rating during the Prohibition Period notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer; and

(c) 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, notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer.

Transactions with Related Parties

The Funds are subject to certain restrictions when dealing with, or investing in, the Manager or parties related to the Manager. The Funds, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities from the above requirements in order to:

(a) purchase debt securities from, or sell debt securities to, related dealers that are acting as principal dealers in the Canadian debt securities market, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions; and

(b) purchase long-term debt securities issued by Scotiabank, an affiliate of the Manager, and other related issuers in the primary and secondary markets, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions.

Inter-Fund Trades

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities to engage in inter-fund trading, which would otherwise be prohibited under applicable securities legislation. Inter-fund trading permits related investment funds and managed accounts to trade portfolio securities held by one of them with the others. Under the exemptive relief, the Funds may engage in inter-fund trading of debt securities and exchange traded securities on certain conditions aimed at ensuring that the trade is made at the market price at the time of the trade and that no additional commissions are paid. The independent review committee ("**IRC**") for the Funds and other investment funds managed by the Manager must approve the inter-fund trades in accordance with the approval requirements of NI 81-107.

Derivatives

The Funds may use or invest in derivative instruments consistent with their respective investment objectives and as permitted by applicable securities laws. The Funds may use derivatives to hedge against certain investment risks, such as currency and interest rate fluctuations and stock market volatility. When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations. Investing in, or using, derivatives is subject to certain risks. 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.

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities from the counterparty credit rating requirement, the counterparty exposure threshold and the custodial requirements set out in NI 81-102 in order to permit the Funds to clear certain swaps: (i) entered into with futures commission merchants ("**FCM**") that are subject to U.S. clearing requirements; or (ii) where there is the requirement that the swap be cleared through a central counterparty authorized to provide clearing services for purposes of the European Market Infrastructure Regulation and to deposit cash and other assets directly with the FCM, and indirectly with a clearing corporation, as margin for such swaps. In the case of FCMs in Canada, the FCM must be a member of the Canadian Investor Protection Fund and the amount of margin deposited, when aggregated with the other amount of margin already held by the FCM, must not exceed 10% of the net asset value of the Fund at the time of the deposit. In the case of FCMs outside of Canada: (i) the FCM must be a member of a clearing corporation and subject to a regulatory audit; (ii) the FCM must have a net worth (determined from audited financial statements or other publicly available financial information) in excess of $50 million; and (iii)

the amount of margin deposited, when aggregated with the other amount of margin already held by the FCM, must not exceed 10% of the net asset value of the Fund at the time of the deposit.

Exchange-Traded Funds

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities to invest in certain ETFs listed on a recognized exchange in Canada that are not "index participation units" where: (i) the Fund do not short sell securities of the ETF; (ii) the ETF is not a commodity pool; and (iii) the ETF is not relying on relief regarding the purchase of physical commodities, the purchase, sale or use of specified derivatives or with respect to the use of leverage. The Funds have obtained further exemptive relief to invest in certain ETFs created and managed by BlackRock Asset Management Canada Limited in compliance with the relief described above and certain other conditions.

Gold and Silver

Certain Funds have received the approval of the Canadian securities regulatory authorities to invest up to 10% of its net assets, taken at the market value thereof at the time of investment, in gold and silver (or the equivalent in certificates or specified derivatives of which the underlying interest is gold or silver).

Gold Exchange-Traded Funds

Certain Funds have 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.

Investments in Closed-End Funds

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities to invest in non-redeemable (or closed-end) investment funds ("**Closed-End Funds**") provided that certain conditions are met, including that immediately after each such investment no more than 10% of the net asset value of the Fund is invested in Closed-End Funds.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Funds may enter into securities lending, repurchase and reverse repurchase transactions consistent with their investment objectives and as permitted by applicable securities and tax laws. A securities lending transaction is where a mutual fund lends certain qualified securities to a borrower in exchange for a negotiated fee without realizing a disposition of the securities for tax purposes. A repurchase transaction is where a mutual fund sells a security at one price and agrees to buy it back from the same party at a specified price on a specified date. A reverse repurchase transaction is where a mutual fund buys securities for cash at one price and

agrees to sell them back to the same party at a specified price on a specified date. Securities lending, repurchase and reverse repurchase transactions involve certain risks. If the other party to these transactions goes bankrupt or is for any reason unable to fulfill its obligations under the agreement, the Fund may experience difficulties or delays in receiving payment. To address these risks, any securities lending, repurchase or reverse repurchase 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. The Funds will enter into securities lending, repurchase or reverse repurchase transactions only with parties that we believe, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements (“**qualified borrowers**”). In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a Fund will not exceed more than 50% of the NAV of that Fund immediately after the Fund enters into such a transaction.

Short Selling

Certain 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 mutual 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.

The Funds may engage in short selling only within certain controls and limitations. Securities are sold short only for cash. As well, at the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the NAV of the Fund. The aggregate market value of all securities sold short by a Fund will not exceed 20% of the NAV of the Fund. The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover (as defined in NI 81-102) in an amount, including the Fund’s assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Fund to purchase long positions other than cash cover. The Funds will also abide by all other NI 81-102 restrictions relating to short selling.

UNITS OF THE FUNDS

What are Units and Series of Units of the Funds?

A Fund may offer one or more series of units. Each series is intended for different investors. Each series of units of a Fund may have different management fees, where applicable, administration fees and other expenses attributable to that series of units.

Each of the Funds is authorized to issue an unlimited number of series divided into an unlimited number of units, each of which represents an equal undivided interest in the property of that particular Fund.

As a holder of units of a Fund, you have the rights described below. Fractional units carry the rights and privileges and are subject to the restrictions and conditions described for units in the proportions that they bear to one unit, except that any holder of a fractional unit is not entitled to vote in respect of such fractional unit.

When issued, units of each Fund are fully paid and non-assessable and have no pre-emptive or conversion rights. Fractions of units may also be issued. As a holder of units of a Fund, you are entitled to require the Fund to redeem your units at the price described under *How to Sell Units*. Your units are generally redeemable without restriction. Upon liquidation or termination of a Fund, each unitholder of a series is entitled to participate ratably in the assets of the Fund attributable to that series.

Each unitholder of a Fund is entitled to vote on certain amendments to the Master Declaration of Trust in accordance with such document or where required by securities laws. A separate series vote is required if a particular series is affected in a manner that is different from other series. At a unitholder meeting called to vote on these issues, a unitholder will be entitled to one vote per unit of a Fund.

Subject to any exemption obtained by a Fund from applicable securities laws, the following matters currently require unitholder approval pursuant to securities laws:

1. the appointment of a new manager, unless the new manager is an affiliate of the Manager;

2. a change in the fundamental investment objectives of a Fund;

3. a decrease in the frequency of calculating the NAV per unit of a Fund;

4. changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its unitholders, except in certain circumstances as permitted under securities laws;

5. introducing a fee or expense, to be charged to a Fund or directly to its unitholders by the Fund or the Manager in connection with holding units of the Fund, in a way that could result in an increase in charges to the Fund or its unitholders, except in certain circumstances as permitted under securities laws;

6. where a Fund undertakes a reorganization with, or transfers its assets to, another issuer, and the Fund ceases to continue after the reorganization or transfer of its assets and the transaction results in unitholders of the Fund becoming securityholders of the other issuer. Notwithstanding the foregoing, no unitholder approval will be required for such a change if that change is approved by the IRC of the Fund, the assets of the Fund are being transferred to another mutual fund to

which NI 81-102 and NI 81-107 both apply and that is managed by the Manager or an affiliate of the Manager, the reorganization or transfer of assets complies with other relevant securities legislation, and written notice of the reorganization or transfer is sent to the Fund's unitholders at least 60 days' prior to the effective date of the reorganization or transfer;

7. where a Fund undertakes a reorganization with, or acquires assets from, another issuer, continues after such reorganization or acquisition of assets, and the transaction results in the securityholders of the other issuer becoming unitholders of the Fund and the transaction would be a material change to the Fund; and

8. where a Fund is restructured into a non-redeemable investment fund or into an issuer that is not an investment fund.

Because unitholders of the Funds are not charged sales commissions or redemption fees when they invest in or redeem units of the Funds, unitholder meetings in respect of Premium Series, Premium TL Series, Premium T Series and Premium TH Series units are not required to approve the introduction of a fee or expense or any increase in the fees or expenses charged to the Funds or directly to unitholders if the unitholders of the applicable series are notified of the change at least 60 days before the effective date of the introduction or increase. Further, the Manager may reclassify the securities you hold in one series into the securities of another series of the same Fund provided your pecuniary interest is not adversely affected by such reclassification.

How the Units are Valued

How much a Fund is worth is called its "net asset value". When a Fund calculates its NAV, it determines the market value of all of its assets and subtracts all of its liabilities. Separate NAVs are calculated for each series of a Fund at the end of each day based on each series' share of the Fund's NAV as determined in accordance with the Master Declaration of Trust. The series NAV per unit is calculated daily 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 units of that series outstanding at such time. A unit's NAV is very important because it is the basis on which units of a Fund are purchased and redeemed. The series NAV per unit of a Fund varies from day to day. A Fund calculates the NAV of the units at the close of business on each valuation date. Every day that the Toronto Stock Exchange is open for trading or each other day required for tax, accounting or distribution purposes of each year is a "Valuation Date". In unusual circumstances, calculation of the NAV per unit may be suspended, subject to obtaining any necessary regulatory approval.

Valuation of Portfolio Securities and Liabilities

The NAV of a Fund must be calculated using the fair value of the Fund's assets and liabilities.

The value of the assets of a Fund is calculated using the following valuation principles:

1. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date as of which the NAV is being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such amount is not worth the full amount thereof, in which event the value shall be the fair value as determined by the Manager;

2. the value of any security which is listed on a stock exchange or traded on an over-the counter market will be (A) the closing sale price on that day or, (B) if there is no such closing price, the average of the bid and the ask price at that time, or (C) if no bid or ask price is available, the price last determined for such security for the purpose of calculating the NAV of the Fund. The value of interlisted securities shall be computed in accordance with directions laid down from time to time by the Manager. Notwithstanding the foregoing, if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to reflect any redemption of units, the value thereof shall be the fair value of such securities as determined by the Manager. In calculating the fair value of foreign securities, the Manager will place values on such securities which, in the Manager's view, most closely reflect the fair value of such securities at the time of NAV calculation;

3. the value of the securities of any unlisted mutual fund will be the NAV per security on the Valuation Date or, if such date is not a valuation date of the mutual fund, the NAV per security on the most recent valuation date for the mutual fund;

4. the value of long positions and short positions in clearing corporation options is based on the mid-price and the value of long positions and short positions in debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;

5. the value of long positions and short positions in clearing corporation options on futures is based on the daily settlement price determined by the respective exchange (if available); if no settlement price is available, the last reported closing sale price on the Valuation Date; or, if no closing sale price is available, the last reported settlement price of such security;

6. where a covered clearing corporation option or over-the-counter option is written by the Fund the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the value of the clearing corporation option or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as

an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Fund; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (4) above;

7. the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless "daily limits" are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;

8. the value of over-the-counter swap contracts shall be the amount that the Fund would receive or pay to terminate the swap, based on the current value of the underlying interest on the Valuation Date; the value of centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, shall be the daily settlement price determined by the respective exchange (if available);

9. the value of any restricted security shall be determined based on the discretion of the Manager, such that it is fair and reasonable and in accordance with the valuation policy set out by the Manager; and

10. the value of any security or other asset for which a market quotation is not readily available, will be its fair value on that day determined in such manner as the Manager deems to be appropriate.

For the purpose of any conversion of monies from any other currency to Canadian currency or if the Fund is offered in U.S. dollars, from any other currency to U.S. dollars, the current rate of exchange as quoted to such Fund by the Fund's bankers as nearly as practicable at the time as of which the NAV is being computed is used.

The Manager will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* ("**NI 81-106**"), the fair value of a portfolio security used to determine the daily price of a Fund's securities for purchases and redemptions by investors will be based on the Fund's valuation principles set out above under the heading "Valuation of Portfolio Securities and Liabilities", which comply with the requirements of NI 81-106 but differ in some respects from the requirements of International Financial Reporting Standards ("**IFRS**"), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of a Fund (the "**Financial Statements**") are required to be prepared in compliance with IFRS. The Fund's accounting

policies for measuring the fair value of its investments (including derivatives) are identical to those used in measuring its NAV for transactions with unitholders, except as disclosed below.

The fair value of the Fund's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the "**Reporting Date**"). The fair value of the Fund's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the "**Close Price**").

In contrast, for IFRS purposes, the Fund uses the Close Price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager, to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment, or other fair value adjustments the Manager may determine and considers to be fair and reasonable for the security, the fair value of the financial assets and liabilities of the Fund determined under IFRS may differ from the values used to calculate the NAV of the Fund.

The Notes to the Financial Statements of the Funds will include a reconciliation of the differences between the NAV calculated based on IFRS and NI 81-106, if applicable.

HOW TO PURCHASE AND SELL UNITS OF THE FUNDS

How to Purchase Units

Units of the Funds are offered for sale on a continuous basis at their NAV per unit from time to time, computed in the manner described under *How the Units are Valued*. 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.

- 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.

- 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.

- 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 in the simplified prospectus 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.

All orders for units of a Fund will be forwarded to the Manager on behalf of the Fund for acceptance or rejection and the Manager on behalf of the Fund reserves the right to reject any order in whole or in part. Dealers and brokers must transmit an order for units to the head office of the Manager and must make such transmittal wherever practical by courier, priority post or telecommunications facility without charge to you on the same day your completed purchase order is received. As a security policy (which may be changed at the discretion of the Manager) the Manager on behalf of the Funds, except as provided below, generally will not accept purchase orders placed by telephone or wire directly by an investor. The decision to accept or reject your purchase order will be made promptly and, in any event, within one business day of receipt of your order by the Manager on behalf of the Fund. Telephone orders and Internet orders may be placed with Scotia Securities Inc. or ScotiaMcLeod® representatives or as permitted by other dealers or brokers. Speak to your registered investment professional for details. If your order is rejected, all monies received with your rejected order will be returned to you immediately.

The minimum amounts for the initial and each additional investment in Premium Series, Premium Series TL, Premium Series T and Premium Series TH units of a Fund are shown in the table below.

	Minimum initial investment		Minimum additional investment (including pre-authorized contributions[1])
Fund	All accounts except Scotia RRIFs	Scotia RRIFs	
Scotia Aria Portfolios[2]	$500	$500	$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 $25x12÷4, or $75.

[2] The minimum initial investment and the minimum additional investment for the Scotia Aria Portfolios are based on an investor's aggregate investment in all Scotia Aria Portfolios.

For Series I units of a Fund, the minimum initial investment amount is generally $1,000,000.

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.

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 drop below the minimum amounts required for that program. We will give you 30 days' written notice before selling or reclassifying your units.

The NAV per unit for the purpose of issuing units is the NAV per unit next determined following receipt of a purchase order. No unit certificates will be issued by the Funds.

Units of the Funds are not transferrable except with the consent of the Manager for the sole purpose of granting a security interest therein.

If the Fund has not received from you within two business days of the Valuation Date payment in full of the purchase price for your order, together with all necessary documents, then under applicable securities regulations and policies, the Fund will be deemed to have received from you and accepted on the next Valuation Date a redemption order for the same number of units. If the amount of the redemption proceeds exceeds the purchase price of the units, the surplus will be retained by the Fund. If the redemption proceeds are less than the purchase price, your dealer is required to pay to the Fund the amount of the deficiency. Your dealer will be entitled to reimbursement from you of that amount together with any additional costs and expenses of collection.

Other than the short-term trading fee described below, the Funds do not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing unitholders 60 days' written notice of the amount and particulars of such fee. The Manager currently has no intention to impose such fees on any of the series described in this annual information form during the next 12 months.

Sales Charges

Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the Funds are "no-load" and that means you do not pay a sales commission when you buy, reclassify, switch or sell units of these series through Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE®. You may pay a sales commission or other fee if you buy, reclassify, switch or sell units of the Funds through other registered brokers or dealers unrelated to us.

Trailing Commissions and Sales Incentive Programs

The Manager may pay Scotia Securities Inc., ScotiaMcLeod, Scotia iTRADE or other brokers and dealers a trailing commission on Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the Funds. This fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of the units held by clients of a broker or dealer. The Manager does not pay trailing commissions on Series I units. See *Dealer compensation* in the simplified prospectus of the Funds for details about trailing commissions and sales incentive programs.

In addition, Scotiabank may also include sales of units of the Funds in its general employee incentive programs which involve many different Scotiabank products.

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. When your order is received, the units of the first Fund are sold, and the proceeds are used to buy units of the second Fund. 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. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee. See *Short-Term Trading Fee* for more details.

You may only switch between Funds valued in the same currency. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

How to Reclassify 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. Your dealer may charge you a fee to reclassify your units.

How to Sell Units

You may at any time sell your units back to a Fund by following the procedures described in the following section, unless at that time the Fund's obligation to purchase your units has been temporarily suspended by the Fund with, where necessary, the prior consent of the applicable Canadian securities regulators. Your request to have a Fund buy back your units constitutes a "redemption" by the Fund when completed and may be referred to in this annual information form as a "sell order" to the Fund. The redemption price for the units which are the subject of your sell order will be the NAV per unit next determined following receipt of your sell order by the Fund. Payment for your units sold will be issued by cheque within two business days after receipt by the Fund of your sell order. **The Manager cannot accept sell orders specifying a forward date or price, and sell orders will not be implemented before the Manager has actually received payment for units issued to you under a prior purchase order.**

Short-Term Trading Fee

Short-term trading (including "market-timing" trading) can increase a Fund's expenses, which affects all unitholders of the Fund. The Manager has systems in place to monitor for short-term trades. These systems have the capability to detect and mark any redemption or switching that occurs within 31 days of the purchase of the relevant units. If it is determined that a redemption or switch constitutes a short-term trade, the Fund will charge a fee of 2% of the amount redeemed or switched. This short-term trading fee is retained by the Fund. While the fee will generally be paid out of the redemption proceeds of the Fund in question, the Manager

has the right to redeem units of other Funds in your account without notice to you to pay for the short-term trading fee. The Manager may, in its sole discretion, decide which units should be redeemed and the manner in which to do so. The Manager may waive the fee in certain circumstances and in its sole discretion.

The short-term trading fee does not apply to: (i) any of the Cash Equivalent Funds; (ii) transactions not exceeding a certain minimum dollar amount, as determined by the Manager from time to time; (iii) trade corrections or any other action initiated by the Manager or the applicable portfolio advisor; (iv) transfers of units of one Fund between two accounts belonging to the same unitholder; (v) regularly scheduled registered retirement income fund ("**RRIF**") or life income fund ("**LIF**") payments; (vi) regularly scheduled automatic withdrawal payments in Registered Plans (as defined below); and (vii) reclassifying units from one series to another series of the same Fund.

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 the simplified prospectus or annual information form of the Funds and without notice to you, unless otherwise required by such regulations.

How to Submit a Sell Order

The following is a summary of the procedure that you must follow when submitting a sell order. The Manager, however, may from time to time adopt additional permissible procedures and, if so, will advise all unitholders of such procedures.

Your sell order must be in writing and bear an authorized signature from your bank, trust company or registered dealer or broker and such other evidence of proper authority as the Manager on behalf of a Fund may reasonably require. Any sell order by a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by customary documentation evidencing the signatory's authority. Sell orders are effective only when all documentation is in order and received by the head office of the Manager on behalf of a Fund. Any of these requirements may be waived at any time without notice in the absolute discretion of the Manager. Your sell order may be submitted to Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE are qualified to sell units of the Funds. Sell orders may also be submitted to your registered dealer or broker. Dealers and brokers must transmit the particulars of a sell order to a Fund on the same day it is received at no charge to the investor and to make such transmittal wherever practical by courier, priority post or telecommunications facility. As a security policy (which may be changed at the discretion of the Manager), the Manager on behalf of the Funds will generally not accept sell orders placed by telephone, wire or by other electronic means directly from unitholders.

If a unitholder fails to provide the Manager on behalf of a Fund with a duly completed sell order within ten business days of the date on which the NAV was determined for purposes of the sell order, the Manager on behalf of the Fund is deemed to have received and accepted, as of the close of business on the tenth business day, an order for the purchase of the equivalent

number of units being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such units. If such amount is less than the redemption proceeds, the Fund is permitted to retain the excess. If such amount exceeds the redemption proceeds, Scotia Securities Inc., as principal distributor of Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the Funds, must pay the applicable Fund the amount of the deficiency. Scotia Securities Inc. is entitled to collect such amount together with its costs and interest thereon from dealers or brokers placing the redemption order and those dealers or brokers may collect such amounts from the investor who failed to provide the duly completed sell order. Where no other dealers or brokers have been involved in a redemption order, Scotia Securities Inc. is entitled to collect such amounts described above directly from the investor who failed to provide the duly completed sell order.

All sell orders will be processed in the order in which they are received. Sell orders involving transfers to or from Registered Plans (defined below) may incur delays if the transfer documents are not completed in the sequence prescribed by Canada Revenue Agency, and release of the sale proceeds cannot be made by a Fund until all administrative procedures involved with such Registered Plans are complete.

Each Fund reserves the right to suspend the right of redemption or to postpone the date of payment of redeemed units: (i) for any period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which specified derivatives are traded, which represent more than 50 percent by value or underlying market exposure of the total assets of the Fund without allowance for liabilities if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (ii) subject to the consent of the applicable securities regulatory authorities, for any period during which the Manager determines that conditions exist as a result of which disposal of the assets owned by the Fund is not reasonably practicable or it is not reasonably practical to determine fairly the value of its assets. In the case of suspension of the right of redemption, you may either withdraw your redemption request or receive payment based on the net asset value per unit next determined after the termination of the suspension.

INVESTMENT OPTIONS

For a description of the various investment options available please see the simplified prospectus of the Funds. Some further details are included below:

Pre-Authorized Contributions

Other than for 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool or Scotia Private International Growth Equity Pool, you can set up regular pre-authorized contributions for units of the Funds held by you provided that you meet the minimum investment amounts indicated under *How to Purchase Units*. You select the frequency of your purchases, which may be weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually, by pre-authorizing payments from your bank account at Scotiabank or any other major Canadian financial institution.

You may change the amount of each purchase or the frequency of purchase or you may discontinue the plan at any time without penalty by contacting your registered investment professional. Forms used to begin pre-authorized contributions can be obtained when you place your order with your dealer or broker. Similar automatic investment plans for may be available through other dealers and brokers.

Pre-authorized contribution plans which were established prior to any Fund merger will be re-established in comparable plans with respect to the applicable continuing Fund unless a unitholder advises otherwise.

The Funds have received exemptive relief from securities regulatory authorities from certain requirements in securities legislation to deliver Fund Facts to investors that make subsequent purchases of units of the Funds under a pre-authorized investment plan or a similar contribution plan, subject to the conditions of an exemption order dated June 11, 2014. Participants in a pre-authorized investment plan or a similar contribution plan will not be sent a copy of any Fund Facts unless they request that it be sent at the time they enroll in the plan or subsequently request it from their broker or dealer. This exemption does not apply to investors resident in Québec. For more information, refer to *Pre-authorized contributions* in the simplified prospectus of the Funds.

Registered Plans

You may open a Scotia registered retirement savings plan ("**RRSP**"), RRIF, life income retirement account, locked-in retirement savings plan, LIF, locked-in retirement income fund, prescribed retirement income fund, tax-free savings account ("**TFSA**"), a registered disability savings plan ("**RDSP**") or registered education savings plan ("**RESP**") (collectively, together with a deferred profit sharing plan, "**Registered Plans**") for units of the Funds, other than units of 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool. Minimum initial and subsequent deposits for a Scotia Registered Plan are the same as those set out under *How to Purchase Units*. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager. Units of the Funds, other than 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool, may also be held in a self-directed RRSP or RRIF (or other Registered Plans) with any other financial institution as may be approved by the Manager, but such plans may be subject to fees.

You may open a Scotia Registered Plan (or other similar plans that may be offered by the Manager or Scotia Securities Inc.) by completing an application form and declaration of trust which you may obtain directly from Scotia Securities Inc. or from the offices of a participating dealer appointed by the Manager or Scotia Securities Inc. in certain provinces and territories.

You are urged to consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the *Income Tax Act* (Canada) (the "Tax Act") and applicable provincial tax laws. It is your responsibility as an annuitant or holder of a Registered Plan to determine the consequences to

you under relevant income tax laws. The Funds assume no liability as a result of Scotia Registered Plans being made available.

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.

Minimum balance to start the plan	Minimum for each withdrawal
$5,000	$50

Automatic withdrawal plans are not available for 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool or Scotia Private International Growth Equity Pool.

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.

You may amend or terminate your automatic withdrawal plan without charge upon written notice to the Manager. The amendment or termination will be effective within 30 days of receipt of that notice.

Under a withdrawal plan, if the regular withdrawals are in excess of income and capital gains distributions, these withdrawals will encroach on or exhaust the capital you have invested. Automatic withdrawal plans are not available for Registered Plans.

You may realize tax consequences on any redemption or other transfer of units. See *Income Tax Considerations for Investors*.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a general, but not an exhaustive, summary of how investments in the Funds are taxed under the Tax Act. It applies to investors (other than trusts) who are residents of Canada, deal with the Funds at arm's length and hold their units as capital property. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the published administrative practices and assessing policies of the Canada Revenue Agency. It has been assumed that the Tax Proposals will be enacted as proposed; however, no assurance can be given in this respect.

This summary does not otherwise take into account or anticipate any change in law or administrative practice, whether by legislative, regulatory, administrative or judicial action. In addition, it does not take into account provincial, territorial or foreign tax considerations. This summary assumes that each Fund, other than 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool, will qualify as a "mutual fund trust" within the meaning of the Tax Act at all material times. If the Fund were not to qualify as a mutual fund trust and, in the case of 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool, the income tax considerations as described below would in some respects be materially different. See *Non-Qualification of a Mutual Fund Trust*.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Accordingly, prospective investors should consult their own tax advisors about their particular circumstances.

Taxation of the Funds

Each Fund will be subject to tax under Part I of the Tax Act, in each taxation year, on its net income (computed in Canadian dollars in accordance with the Tax Act), including net realized taxable capital gains, interest that accrues to it to the end of the year or becomes receivable or is received by it before the end of the year (except to the extent such interest was included in computing its income for a prior year) and dividends received in the year, less the portion thereof that it deducts in respect of amounts paid or payable to unitholders in the year.

Each Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. As a consequence, each Fund may realize income or capital gains by virtue of changes in the value of a foreign currency relative to the Canadian dollar. Also, where a Fund accepts subscriptions or makes payments for redemptions or distributions in foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Fund receives or makes payment.

All of a Fund's revenues, deductible expenses (including expenses common to all series of the Fund and management fees, performance fees and other expenses specific to a particular series of a Fund), capital gains and capital losses will be taken into account in determining the income or losses of the Fund as a whole. Losses incurred by a Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from taxable capital gains or other income realized in other years.

The "suspended loss" rules in the Tax Act may prevent a Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of the Fund to be paid or made payable to unitholders.

Each Fund will pay or make payable to unitholders sufficient net income and net realized capital gains in respect of each taxation year so that the Fund will not be liable for income tax under Part I of the Tax Act (after taking into account any applicable losses and any capital gains refund to which the Fund is entitled).

If a Fund experiences a "loss restriction event" and does not qualify as an "investment fund" for the purposes of the tax loss restriction rules in the Tax Act, the Fund (i) will be deemed to have a year-end for tax purposes (which, if the Fund has not distributed sufficient net income and net realized capital gains, if any, for such taxation year, would result in the Fund being liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward non-capital losses. Generally, the Fund would be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the Tax Act. A person would be a majority-interest beneficiary of the Fund if it, together with persons with whom it is affiliated, owns more than 50% of the fair market value of the Fund's outstanding units. The Tax Act excludes a person or group of persons from becoming a majority-interest beneficiary or a majority-interest group of beneficiaries of a trust that is an "investment fund" as a result of the redemption of units by another unitholder of the trust. Generally, a loss restriction event will be deemed not to occur for a Fund if it meets the conditions to qualify as an "investment fund" under the Tax Act, including complying with certain asset diversification requirements.

Non-Qualification of a Mutual Fund Trust

A Fund may not qualify as a "mutual fund trust" under the Tax Act. If a Fund does not qualify as a "mutual fund trust", the Fund could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a unitholder who is a "designated beneficiary" will be subject to a special tax at the rate of 40% on the trust's "designated income". A designated beneficiary includes a non-resident person. "Designated income" generally includes income from a business carried on in Canada and taxable capital gains from dispositions of "taxable Canadian property". If a Fund is subject to tax under Part XII.2, unitholders who are not designated beneficiaries may be entitled to a refund of a portion of the Part XII.2 tax paid by the Fund, provided that the Fund makes the appropriate designation. If a Fund does not qualify as a mutual fund trust for purposes of the Tax Act, it may

be subject to alternative minimum tax under the Tax Act. As well, a Fund will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year. A Fund that does not qualify as a mutual fund trust will be a "financial institution" for purposes of the "mark-to-market" rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution. If a Fund is not a mutual fund trust and is a registered investment, the Fund may be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds property that is not a "qualified investment" for the type of Registered Plan in respect of which the Fund is registered.

Taxation of Unitholders

Taxable Unitholders of the Fund

Unitholders are required to compute their net income and net realized capital gains in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated securities of a Fund purchased in U.S. dollars.

Upon the actual or deemed disposition of a unit of a Fund, including on the redemption of a unit by a Fund and on a switch between Funds (but not a reclassification of units among series of a Fund), a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the unit of the Fund exceed (or are exceeded by) the aggregate adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. Unitholders of a Fund must calculate the adjusted cost base separately for units of each series of a Fund. 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 taxable capital gains for the year. Generally, any excess of allowable capital losses over taxable capital gains of the unitholder for the year may be carried back up to three years or forward indefinitely and deducted against taxable capital gains in those other years.

A unitholder that is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax of 10⅔% on its "aggregate investment income" for the year. On February 27, 2018, the Minister of Finance (Canada) announced proposals to amend the Tax Act that would limit the deferral advantage that could be obtained from earning passive income in a private corporation. Unitholders that are private corporations should consult their own tax advisors.

If a unitholder disposes of units of a Fund and the unitholder, the unitholder's spouse or another person affiliated with the unitholder (including a corporation controlled by the unitholder) has acquired units of the same Fund within 30 days before or after the unitholder disposes of the unitholder's units (such newly acquired units being considered "substituted property"), the unitholder's capital loss may be deemed to be a "superficial loss". If so, the unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the units which are "substituted property".

Unitholders that are individuals may be liable for alternative minimum tax in respect of Canadian source dividends and capital gains realized by, or distributed to, the unitholder.

Distributions

Unitholders must include in computing their income for the year the amount of net income and the taxable portion of net realized capital gains that are paid or payable to them (including Management Fee Distributions) by a Fund, whether or not such amounts are reinvested in additional units of the Fund.

To the extent that distributions (including Management Fee Distributions) to a unitholder by a Fund in any year exceed the unitholder's share of net income and net realized capital gains of the Fund for the year, such excess distributions (except to the extent that they are proceeds of disposition) will not be taxable in the hands of the unitholder but will reduce the adjusted cost base of the unitholder's units of the Fund. To the extent that the adjusted cost base of a unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder in the year and the unitholder's adjusted cost base of such unit will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by the Fund, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Fund that are paid or payable to a unitholder (including such amounts invested in additional units) will effectively retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends earned directly by the unitholder. Foreign source income received by the Fund will generally be net of any taxes withheld in the foreign jurisdictions. The taxes so withheld will be included in the determination of the Fund's income. To the extent that the Fund so designates, the unitholder will be deemed to have paid its proportionate share of such taxes.

In the case of unitholders of a Fund that are corporations, amounts designated as taxable dividends will be included in computing income but generally will also be deductible in computing taxable income. A "private corporation" which is entitled to deduct taxable dividends in computing taxable income will normally be subject to the refundable tax under Part IV of the Tax Act. Certain other corporations that are controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) are also subject to the refundable tax under Part IV of the Tax Act. Corporations, other than private corporations, should consult their own tax advisors as to the possible application of tax under Part IV.1 of the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a unitholder that is a corporation as proceeds of disposition or a capital gain.

Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the normal gross-up and dividend tax credit rules under the Tax Act. An "eligible dividend" will be entitled to an enhanced gross-up and dividend tax credit. To the extent possible, the Fund will pass on to unitholders the benefit of the enhanced dividend tax credit with respect to any eligible dividends received, or deemed to be received, by the Fund to the extent that such dividends are included in distributions to unitholders.

Reclassifications

The reclassification of units of a particular series of a Fund as units of another series of the same Fund will generally not be considered to be a disposition for tax purposes and accordingly, a unitholder will realize neither a gain nor a loss as a result of a reclassification. The cost of the acquired units will be averaged with the adjusted cost base of identical units of such series owned by the unitholder.

The redemption of units by a Fund in order to satisfy the amount of the applicable deferred sales charge payable by a unitholder will be a disposition of such units by the unitholder and will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such units exceed (or is exceeded by) the aggregate of the adjusted cost bases of such units and any reasonable costs of disposition.

Non-Taxable Unitholders of the Fund

In general, distributions paid or payable by a Fund to Registered Plans and capital gains realized by Registered Plans on a disposition of units of a Fund will not be taxable under the Tax Act. Withdrawals from Registered Plans (other than TFSAs) may be subject to tax.

Eligibility for Registered Plans

This section does not apply to units of 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool, which will not be qualified investments for Registered Plans.

Provided that each Fund is either a "registered investment" or a "mutual fund trust" within the meaning of those terms in the Tax Act at all material times, units of each Fund issued hereunder will be qualified investments for Registered Plans. See *Income tax considerations for investors – Units held in a Registered Plan* in the simplified prospectus of the Funds for additional information.

Provided that the annuitant or holder of a RRSP, RRIF or TFSA (i) deals at arm's length with the 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. The prohibited investment rules will also apply to a trust governed by a RESP or RDSP, effective March 22, 2017.

Investors should consult with their tax advisors regarding whether an investment in a Fund will be a prohibited investment for their RRSP, RRIF, TFSA, RESP or RDSP.

International Information Reporting Requirements

Under the terms of the intergovernmental agreement between Canada and the U.S. (the "**Canada-U.S. IGA**") to provide for the implementation of the U.S. Foreign Account Tax Compliance Act of 2009 ("**FATCA**"), and its implementing provisions under Part XVIII of 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, the Fund will not have to enter into an individual FATCA agreement with the U.S. Internal Revenue Service (the "**IRS**") but the Fund will be required to register with the IRS and to report information, including certain financial information, on accounts held by investors that failed to provide information to their financial advisor dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. Persons owning, directly or indirectly, an interest in the Fund to the Canada Revenue Agency. The Canada Revenue Agency will in turn provide such information to the IRS.

Each Fund will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if the Fund cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provision of the Tax Act and is unable to comply with the requirements under FATCA, the Fund may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds. The Fund may also be subject to the penalty provisions of the Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the Fund's net asset value.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards ("**CRS**"), the Funds are required under Part XIX of the Tax Act to identify and, beginning in 2018, to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by unitholders or by the "controlling persons" of certain entities who are residents in a country other than Canada or the United States. The information would then be available for sharing with the CRS participating jurisdiction in which the unitholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

HOW THE FUNDS ARE MANAGED AND ADMINISTERED

The Manager

The Manager acts as the manager of the Funds pursuant to a master management agreement dated, as amended and restated on August 20, 2015, as amended on November 9, 2015, January 6, 2016, January 21, 2016, June 24, 2016, November 14, 2016, January 10, 2017, September 21, 2017, November 14, 2017, September 27, 2018 and October 9, 2018 and as may be amended from time to time (the "**Master Management Agreement**").

Pursuant to the Master Management Agreement, the Manager is required to provide, or cause to be provided, portfolio management to the Funds, including all decisions as to the purchase and sale of portfolio securities and as to the execution of all portfolio transactions, and all necessary or advisable administrative services and facilities including valuation, fund accounting and unitholder records. The Master Management Agreement provides that the Manager may engage or employ any person as its agent to perform administrative functions on behalf of the Funds, and brokers or dealers in connection with the portfolio transactions of the Funds.

The Master Management Agreement may only be assigned in respect of a Fund upon consent of the other party and in compliance with the provisions of the Master Declaration of Trust and all applicable laws, regulations and other restrictions of regulatory authorities in Canada. No changes to the Master Management Agreement in respect of a Fund may be made without the approval of unitholders where required by applicable securities laws. Where applicable securities laws do not require unitholder approval, the provisions of the Master Management Agreement may be amended with the approval of the Trustee and the Manager.

The Manager receives, pursuant to the Master Management Agreement, management fees and, where applicable, administration fees from the Funds in respect of certain series of units, as described in the simplified prospectus of the Funds.

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.

The Manager will not receive any fees as trustee of the Funds.

For additional information concerning the management of the Funds, you should refer to *How the Funds are Managed and Administered – The Manager* in this annual information form.

Directors and Executive Officers of the General Partner of the Manager

The Board of Directors of 1832 Asset Management G.P. Inc. (the "General Partner"), the general partner of the Manager, currently consists of seven members.

Directors are appointed to serve on the Board of Directors of the General Partner until such time as they retire or are removed and their successors are appointed. The directors and executive officers of the General Partner collectively have extensive experience in the analysis and understanding of the risks associated with many of the businesses underlying the securities that may comprise the Fund's investments. The Manager will draw upon this experience when necessary in analyzing potential investments for the Fund.

The names, municipalities of residence, offices and principal occupations during the past five years for each of the directors and executive officers of the General Partner are as follows:

Name and Municipality of Residence	Positions Held with the General Partner	Principal Occupation
Glen Gowland Toronto, Ontario	Chairman of the Board, President and Director	President, the Manager Executive Vice President, Global Wealth Management, Scotiabank
Anil Mohan Toronto, Ontario	Chief Financial Officer and Director	Chief Financial Officer, the Manager Vice President, Business Analysis & Planning, Scotiabank
Brett Bastin Toronto, Ontario	Director	Managing Director, Institutional Asset Management, Scotiabank
Craig Gilchrist Toronto, Ontario	Director	Managing Director & Vice President Chief Investment Officer, Scotia Wealth Management, Scotiabank
Erin Griffiths Toronto, Ontario	Director	Online Brokerage Managing Director, Global Online Brokerage, Scotiabank
Jim Morris Caledon, Ontario	Director	Chief Operating Officer, the Manager
John Pereira Richmond Hill, Ontario	Director	Senior Vice President and Chief Operating Officer, Asset Management, Scotiabank
Gregory Joseph Grimsby, Ontario	Controller	Director, Global Asset Management Finance, Scotiabank
Simon Mielniczuk Toronto, Ontario	Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the directors and executive officers of the General Partner have held their present principal occupations (or similar positions with their current employer or its affiliates) except for Mr. Bastin who prior to May 2017 was Managing Director, Global Asset Management with RBC Global Asset Management Inc.

Executive Officers of the Manager

The names and municipalities of residence of the executive officers of the Manager, their principal occupations over the past five years, and the positions and offices held with the Manager are as follows:

Name and Municipality of Residence	Positions Held with the Manager	Principal Occupation
Glen Gowland Toronto, Ontario	President	President, the Manager Executive Vice President, Global Wealth Management, Scotiabank
Anil Mohan Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Vice President, Business Analysis & Planning, Scotiabank
Bruno Carchidi Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer, the Manager Vice President, Compliance, Scotiabank
Simon Mielniczuk Toronto, Ontario	Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the executive officers of the Manager have held their present principal occupations (or similar positions with the current employer or its affiliates.)

The Portfolio Advisors

The portfolio advisors analyze potential investments and make investment decisions. They are responsible for managing the investment portfolios of the Funds. We list below the portfolio advisors, the Funds they manage, and details about the individuals at the portfolio advisors who are principally responsible for managing the Funds. The day-to-day investment decisions made by the portfolio advisors are not subject to the approval of the Manager.

The Manager is responsible for the fees paid to the portfolio advisors. The agreement with each portfolio sub-advisor may be terminated by either the Manager or the portfolio sub-advisor giving up to 90 days' prior notice to the other of such termination. For additional information concerning the management of the Funds, you should refer to *Material Contracts* in this annual information form.

Some of the portfolio advisors are not registered in Canada but rely on the international advisor or international sub-advisor registration exemptions. The name and address of the agent for each of these portfolio advisors is available from the Ontario Securities Commission. These portfolio advisors are not subject to the requirements of the *Securities Act* (Ontario). These portfolio advisors 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 clients to enforce their legal rights against these portfolio advisors.

Pursuant to the Management Agreement the Manager acts as portfolio advisor to the Funds. The individuals providing advice are as follows:

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor	Principal occupation in the last 5 years
Judith Chan *Scotia Aria Portfolios*	Director, Portfolio Solutions – Scotia Asset Management	12 years	From September 2012 to present – Director, Portfolio Solutions, the Manager
Domenic Bellissimo *1832 AM Investment Grade U.S. Corporate Bond Pool (Co-Manager)*	Portfolio Manager	13 years	Joined in June 2005
Damian Hoang *Scotia Private Diversified International Equity Pool*	Portfolio Manager	6 years	Joined in May 2012
William Lytwynchuk *1832 AM Investment Grade U.S. Corporate Bond Pool (Co-Manager)*	Portfolio Manager	1 year	Joined in October 2017 April 2014 to October 2017 - Credit Trader, CIBC January 2010 to January 2014 - Portfolio Manager, AIG

Some of the above individuals may be dually registered as advising representatives of the Manager and Tangerine Investment Management Inc., an affiliate of the Manager.

Axiom International Investors LLC ("**Axiom**"), Greenwich, Connecticut, is the portfolio sub-advisor to the Scotia Private International Growth Equity Pool. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor	Principal occupation in the last 5 years
Andrew Jacobson	CEO/Chief Investment Officer	30 years	September 1998 to present - CEO/Chief Investment Officer
Bradley Amoils	Managing Director/ Portfolio Manager	27 years	April 2002 to present - Managing Director/Portfolio Manager

Fund Governance

The Manager is responsible for the day-to-day administration and management of the Funds. The Manager is the portfolio advisor to certain of the Funds, as listed above, and may retain portfolio sub-advisors for the Funds. If portfolio sub-advisors are appointed, the Manager will receive regular reports from its portfolio sub-advisors regarding their compliance with

applicable investment guidelines and parameters and compliance with the investment restrictions and practices of the corresponding Funds.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Funds including, as required by NI 81-107, policies and procedures relating to conflicts of interest. The Manager has adopted a mutual fund sales practice policy that complies with National Instrument 81-105 – *Mutual Fund Sales Practices*. The Manager has also adopted a Personal Trading Policy for employees that addresses potential internal conflicts of interest in respect of the Funds. In addition, the Manager has adopted the Scotiabank Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The investment advisory agreements between the Manager and portfolio advisors specify that the Funds must comply with the investment restrictions and practices outlined in applicable securities laws, including NI 81-102, subject to any exemption granted by applicable securities regulatory authorities.

Independent Review Committee

The Manager has established the IRC in accordance with 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 a Fund. 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 a Fund and other funds, and any change of the auditor of a Fund. 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 has five members, Carol S. Perry (Chair), Stephen J. Griggs, Simon Hitzig, Heather A.T. Hunter and Jennifer L. Witterick, 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.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Funds as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. The main components of compensation are an annual retainer and a fee for each committee meeting attended. The chair of the IRC is entitled to an additional fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses. *Please see Remuneration of Trustee and Members of the IRC* for additional information.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Funds may enter into securities lending, repurchase and reverse repurchase transactions from time to time as discussed under *Investment Restrictions and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions* above.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with securities lending, repurchase and reverse repurchase transactions by requiring that each securities agreement be, at a minimum, secured by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with parties the Manager considers to be qualified borrowers. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by a Fund will not exceed more than 50% of the NAV of that Fund immediately after the Fund enters into such a transaction.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of a Fund will be developed by the Manager and SSBTC acting as its agent in administering the transaction. Such policies and procedures will set out (i) the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions and (ii) the risk management procedures, including limits and other controls on such transactions, applicable to the Fund.

The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to a Fund relating to securities lending will be reviewed and approved annually by senior management of the Manager.

Proxy Voting Policies and Procedures of the Manager

We have in place policies and procedures (the "**Proxy Voting Policy**") to ensure that proxies relating to securities held by a Fund are voted in the best interest of each Fund. The Proxy Voting Policy sets out a process to ensure that the Manager can resolve material conflicts of interest relating to proxy voting that may arise between a Fund and the Manager or its affiliates or individuals making proxy voting decisions. In the case where a material conflict of interest arises, the Proxy Voting Policy permits consulting and following the voting recommendation of a reputable independent proxy voting service provider.

Where the Manager acts as portfolio advisor for a Fund that is not sub-advised, it has retained the services of a third party consultant with expertise on proxy voting matters to provide proxy voting guidance. The Manager reviews each proxy, along with the recommendations made by the consultant with respect to proxy issues and may vote in accordance with such recommendations if appropriate and if consistent with its policies and procedures. Where proxies relate to relatively routine matters, such as the regular appointment of auditors and the election of directors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non-routine matters, such as proposed mergers and reorganizations or a dissident slate of directors, these matters are brought to the attention of

an appropriate senior officer of the Manager on a case-by-case basis for consideration and final approval.

Certain of the Funds invest in other underlying mutual funds, including mutual funds managed by us. If a unitholder meeting is called for an investment fund that is managed by us, the Manager will not vote the units of the underlying mutual fund. The Manager may arrange for these securities to be voted by unitholders of the applicable Fund. However, given the costs and complexity of doing so, the Manager may not arrange for a flow-through of voting rights.

Availability of Proxy Voting Information

The Proxy Voting Policy is available upon 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 writing to the Manager at the address on the back cover of this annual information form.

The proxy voting record for each Fund for the most recent 12-month period ending June 30 of each year will be available upon request and at no cost at any time after August 31 of that year. The proxy voting record for each Fund will also be available on the ScotiaFunds website at www.scotiafunds.com.

Proxy Voting Policies and Procedures of the Sub-Advisors

We delegate proxy voting responsibility in respect of the securities held by each sub-advised Fund to the Fund's sub-advisor. Each third-party portfolio sub-advisor's proxy voting policies and procedures guide that portfolio sub-advisor in determining whether and how to vote on any matter for which the relevant Fund received proxy materials. We review the proxy voting policies of each third party portfolio sub-advisor to ensure that the voting rights will be exercised in accordance with the best interests of the Fund.

Policies on the Use of Derivatives

All of the Funds may use derivatives as described in the simplified prospectus of the Funds. Any use of derivatives by a Fund is governed by the Manager's own policies and procedures which set out (i) the objectives and goals of derivatives trading and (ii) the risk management practices, including control policies and procedures, applicable to derivatives trading. These policies and procedures are prepared and reviewed annually by senior management of the Manager. The decision as to the use of derivatives, including the oversight of the limits and controls on derivatives trading, is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control measures. Risk measurement procedures or simulations generally are used to test the investment portfolio of the Funds under stress conditions. 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.

For further information about how the Funds use derivatives, refer to *Investment Restrictions and Practices - Derivatives* above and *About derivatives* in the simplified prospectus of the Funds.

Policies on Short-selling

We have in place policies and procedures relating to short-selling by a Fund (including objectives, goals and risk management procedures). Agreements, policies and procedures that are applicable to a Fund relating to short-selling (including trading limits and controls in addition to those specified above) are reviewed by our senior management. If we authorize a portfolio sub-advisor to engage in short-selling, we delegate responsibility to the Fund's portfolio sub-advisor. Each third-party portfolio sub-advisor's policies and procedures must guide that portfolio sub-advisor in relation to short-selling. All policies must require compliance with applicable rules. We review the policies of each third party portfolio sub-advisor to ensure that short-selling will be conducted in accordance with the best interests of the Fund. The decision to effect any particular short sale is made by the portfolio sub-advisor and reviewed and monitored as part of the portfolio sub-advisor's ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are used to test the portfolio of the Funds under stress conditions.

Principal Distributors

Scotia Securities Inc. is the principal distributor of the Premium Series, Premium TL Series, Premium T Series and Premium TH Series units of the Funds pursuant to a master distributorship agreement.

Portfolio Transactions and Brokers

The Manager, or the portfolio sub-advisor of a Fund, makes decisions as to the purchase and sale of securities and other assets of the Fund, as well as decisions regarding the execution of portfolio transactions of the Fund, including the selection of market, broker and the negotiation of commissions. In effecting these portfolio transactions, the Manager, or the portfolio sub-advisor, may place brokerage business with numerous dealers and brokers on the basis of the best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost. The Manager and each of the portfolio sub-advisors have policies in place regarding broker selection and best execution and the selection of brokers.

The Manager uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of us. In certain circumstances, the Manager receives goods or services from dealers or brokers in exchange for directing brokerage transactions to such dealers or brokers. These types of goods and services include research goods and services ("research goods and services") and order execution goods and services ("order execution goods and services").

The Manager currently has in place brokerage arrangements with its affiliate, Scotia Capital Inc. Scotia Capital Inc. may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

The Manager receives research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political

factors and trends that may have an impact on the value of securities. The research goods and services that we are provided in exchange for brokerage commissions include advice, analyses and reports that focus on, among other matters, specific stocks, sectors and economies.

The Manager also receives order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

In certain instances, the Manager may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use ("mixed-use goods and services"). If the Manager obtains mixed-use goods and services, we only use brokerage commissions to pay for the portion that is used in our investment or trading decisions or in effecting securities transactions, each on behalf of the Funds or client accounts.

For those Funds for which no portfolio sub-advisor has been appointed, the Manager's investment management and trade execution teams decide which dealers or brokers are allocated brokerage business based on the competitiveness of the commission costs, their ability to provide best execution of trades and the range of services and quality of research received. The Manager may use research goods and services and order execution goods and services to benefit our Funds and clients other than those whose trades generated the brokerage commission. However, the Manager has policies and procedures in place such that over a reasonable period of time, all clients, including the Funds, receive fair and reasonable benefit in return for the commission generated.

The names of dealers or third parties who have provided research goods and services and/or order execution goods and services since the date of the last annual information form are available upon request by calling 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 annual information form.

Changes to the Master Declaration of Trust

Certain amendments to the Master Declaration of Trust governing the Funds, such as a change in the fundamental investment objectives of a Fund, or any other change for which the approval of unitholders is required by securities regulatory authorities or pursuant to the Master Declaration of Trust, may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. All other amendments to the Master Declaration of Trust may be made by the trustee without unitholder approval.

Pursuant to the Master Declaration of Trust, where the trustee resigns, is removed or is otherwise incapable of acting, a successor trustee can be appointed by the Manager without the approval of the unitholders. If the Manager fails to appoint a new trustee, provision is made in the Master Declaration of Trust for the unitholders to appoint a successor trustee.

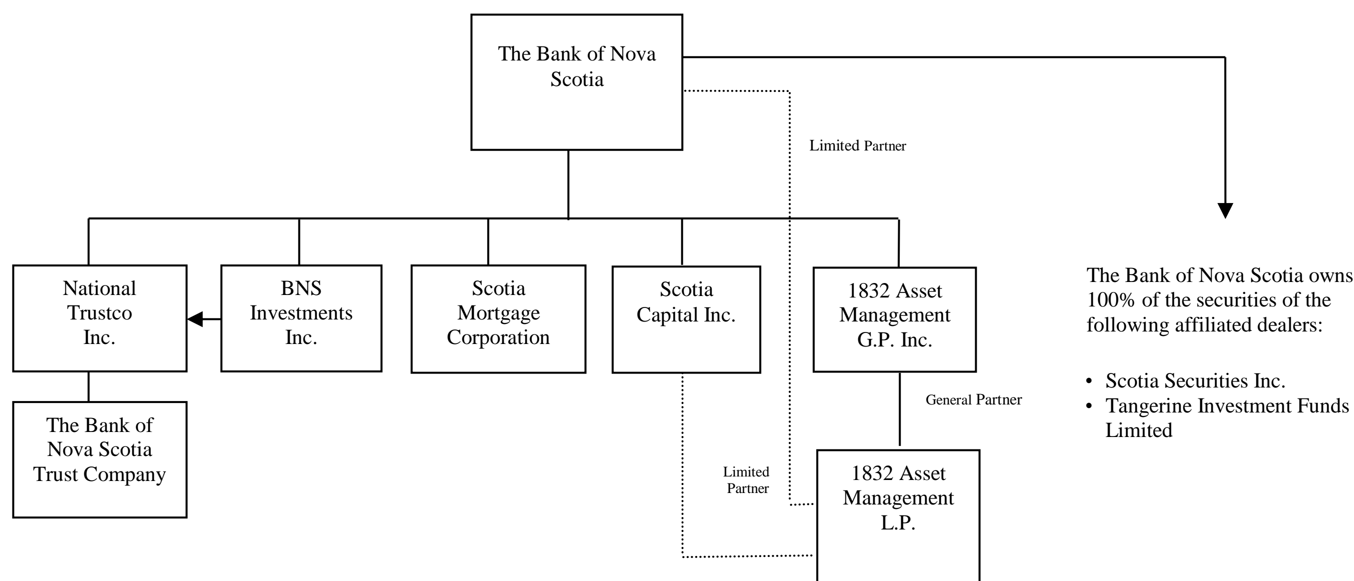
The Promoter

The Manager is the promoter of the Funds. The Manager received, and will receive, remuneration from, and in respect of, the Funds as set out under the headings *The Manager* and *Material Contracts*.

Affiliated Entities

The only affiliated entities that provide services to the Funds and to the Manager in connection with the funds are Scotiabank, Scotia Capital Inc., The Bank of Nova Scotia Trust Company and Scotia Securities Inc. The amount of fees received from a Fund by these entities each year is disclosed in the Fund's audited annual financial statements.

The following diagram shows the relationship between the Manager and these entities:



Principal Holders of Securities

As at September 17, 2018, Scotiabank owned all of the issued and outstanding shares of 1832 Asset Management G.P. Inc., which is the general partner of the Manager, and owned directly and indirectly 100% of the Manager.

As at September 17, 2018, the Manager owned all the Premium Series units of the Scotia Aria Portfolios and all Series I units of 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool and Scotia Private International Growth Equity Pool.

As at September 17, 2018, the directors and officers of the General Partner and the senior officers of the Manager, in aggregate, did not beneficially own more than 10%, directly or indirectly, of any securities of any series of a Fund. As at September 17, 2018, the directors and

officers of the General Partner and the senior officers of the Manager, did not own any securities of the Manager or more than one percent of the outstanding common shares and preferred shares of Scotiabank or of any service provider to the Funds or to the Manager.

As at September 17, 2018, the members of the IRC, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of any series of a Fund. As at September 17, 2018, the members of the IRC did not own any securities of the Manager or more than one percent of the outstanding common shares and preferred shares of Scotiabank or of any service provider to the Funds or to the Manager.

Remuneration of Trustee and Members of the IRC

The Trustee has not received any remuneration in its capacity as trustee of the Funds.

Each member of the IRC receives a fee for attending each meeting of the IRC and each meeting held for education or information purposes, as well as an annual retainer and is reimbursed for reasonable expenses incurred. For the financial year ending December 31, 2017, each member of the IRC received the compensation and reimbursement of reasonable expenses as set out in the table below.

IRC Member	Compensation	Expenses Reimbursed
Brahm Gelfand[1]	$58,833.32	$710.32
Stephen Griggs[2]	$0.00	$0.00
Simon Hitzig	$58,833.32	$100.69
Heather Hunter[2]	$0.00	$0.00
D. Murray Paton[1]	$55,333.32	$527.14
Carol S. Perry (Chair)	$73,833.32	$100.69
Jennifer L. Witterick	$56,833.21	$0.00

[1] Mr. Gelfand and Mr. Paton resigned from the IRC on April 30, 2018.

[2] Mr. Griggs and Ms. Hunter were appointed to the IRC on May 15, 2018.

These fees and expenses were allocated among all the investment funds managed by the Manager for which the IRC has been appointed in a manner that, in the Manager's view, is considered fair and reasonable.

Material Contracts

Copies of the Master Declaration of Trust, the Master Management Agreement, the master distributorship agreements, the agreements with custodians, investment advisory

agreements and the Master Registrar and Transfer Agency Agreement are available for inspection at the head office of the Manager during normal business hours.

Master Declaration of Trust

The Funds are governed by the Master Declaration of Trust. The Funds were settled with effect for each Fund as set out below. The Funds will continue until terminated by the Trustee. Subject to applicable securities laws and regulations, the Trustee is empowered to take all steps necessary to effect the termination of such Funds. The Manager is the trustee of all the Funds and may terminate a Fund at any time by giving each unitholder at least 60 days' prior written notice. During this 60 day period, and with the approval of the applicable Canadian securities regulators, the right of unitholders of the Fund to require payment for their units may be suspended.

On October 9, 2018, Schedule A to the Master Declaration of Trust was amended to establish 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool, Scotia Private International Growth Equity Pool, Scotia Aria Equity Build Portfolio, Scotia Aria Equity Defend Portfolio and Scotia Aria Equity Pay Portfolio.

Master Management Agreement

The Master Management Agreement is between the Manager, as the manager, and the Manager, in its capacity as trustee of the Funds, with effect for each Fund as of the date the Fund was created. The Master Management Agreement may be terminated by either party giving at least six months' prior notice to the other of such termination. The Master Management Agreement may be terminated by the Manager in respect of a Fund if the Manager provides the Fund with 90 days' prior written notice or such shorter number of days as the Manager and the Fund may agree. The Master Management Agreement may be terminated by a Fund by a resolution passed by two-thirds of the votes cast by unitholders of the Fund at a meeting called for this purpose. For such a meeting, a quorum of unitholders representing at least one-third of the units of a Fund is required. Lastly, the Master Management Agreement may be terminated immediately with respect to a Fund in the event of a bankruptcy or winding-up of the Manager or the Fund.

Master Distributorship Agreements

The master distributorship agreement, as amended and restated as of May 18, 2012, and as further amended from time to time (the **"SSI Master Distributorship Agreement"**), is between Scotia Securities Inc. and the Manager on behalf of each Fund in respect of the Premium Series, Premium TL Series, Premium T Series and Premium TH Series units, with effect for each Fund as of the date the Fund was created. Provided that the terms of the SSI Master Distributorship Agreement are satisfied, Scotia Securities Inc. may appoint participating dealers. The SSI Master Distributorship Agreement may be terminated at any time upon the request of the distributor or by agreement of the distributor and the Manager, or after six months following a unitholders' meeting approving the termination.

Custodian Agreements

Except as set out below, State Street Trust Company Canada ("**State Street**"), Toronto, Ontario acts as custodian of each Fund's portfolio securities pursuant to a custodian agreement, as amended and restated on April 27, 2004, and as further amended (the "**State Street Custodian Agreement**"). The State Street Custodian Agreement permits State Street to appoint sub-custodians on the same terms and conditions it has with the funds, and may be terminated by either party giving at least 90 days' prior notice to the other of such termination. Except as set out below, State Street Bank and Trust Company ("**SSBTC**"), Boston, Massachusetts, U.S.A. acts as principal sub-custodian of the Funds.

Scotiabank acts as custodian of the Scotia Aria Portfolios pursuant to the custodian agreement, as amended and restated on January 15, 2014, and as further amended from time to time (the "**Scotiabank Custodian Agreement**"), between each applicable Fund, the Manager and Scotiabank. The applicable Funds pay all reasonable fees and expenses of Scotiabank for custodial services, including safekeeping and administrative services. The Scotiabank Custodian Agreement permits Scotiabank to appoint sub-custodians on the same terms and conditions it has with each of the Funds, and may be terminated by either party giving at least 60 days' prior notice to the other of such termination. As of the date of this annual information form, The Bank of New York, New York, U.S.A., acts as principal sub-custodian of the Funds for which Scotiabank is custodian.

Securities Lending Agent Agreements

In the event a Fund, for which State Street acts as custodian, engages in a securities lending, repurchases or reverse repurchase transaction, then SSBTC will be appointed as the Fund's securities lending agent.

In the event a Fund, for which Scotiabank acts as custodian, engages in a securities lending, repurchases or reverse repurchase transaction, then Scotiabank will be appointed as the Fund's securities lending agent.

The agreements entered into with the securities lending agents are expected to provide that:

- collateral equal to 102% of the market value of the loaned securities will be required to be delivered in connection with a securities lending transaction;
- the Fund will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements of counsel) incurred by the securities lending agent in rendering services under the agreement or in connection with any breach of the terms of the agreement or any loan by the Fund or the Manager on behalf of the Fund, except such loss or liability which results from the security lending agent's failure to exercise the standard of care required by the agreement; and
- the agreement can be terminated by any party on 5 business days' written notice.

Investment Advisory Agreements

Axiom International Investors LLC will be the portfolio sub-advisor to Scotia Private International Growth Equity Pool pursuant to an investment advisory agreement that will be a material contract of the Fund.

Legal and Administrative Proceedings

The Manager is not aware of any material litigation outstanding, threatened or pending by or against the Funds, the Manager or the Trustee.

The Manager entered into a settlement agreement with the Ontario Securities Commission (the "**OSC**") on April 24, 2018 (the "**Settlement Agreement**"). The Settlement Agreement states that, between November 2012 and October 2017, the Manager failed to (i) comply with National Instrument 81-105 *Mutual Fund Sales Practices* ("**NI 81-105**") by not meeting the minimum standards of conduct expected of industry participants in relation to certain sales practices; (ii) have systems of controls and supervision over sales practices sufficient to provide reasonable assurances the Manager was complying with its obligations under NI 81-105; and (iii) maintain adequate books, records and other documents to demonstrate compliance with NI 81-105. The Manager agreed to (i) pay an administrative penalty of $800,000 to the OSC; (ii) submit to a review of its sales practices, procedures and controls by an independent consultant; and (iii) pay costs of the OSC's investigation in the amount of $150,000. Other than the foregoing, the Manager has had no disciplinary history with any securities regulator.

Related Party Transactions

The Manager receives management fees and, where applicable, administration fees from the Funds as described above under *The Manager*.

Scotiabank may earn some income as a result of providing custodial services, including safekeeping and administrative services, and unitholder recordkeeping services to the Funds and as a result of acting as agent in respect of securities lending, repurchase and reverse repurchase transactions.

The Manager will earn income as a result of providing portfolio management services to certain Funds. Scotia Capital Inc. will earn brokerage fees as a result of providing trade execution services for certain Funds from time to time.

Auditor, Transfer Agent and Registrar

PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2, is the auditor of the Funds.

The auditor of the Funds may only be changed with the approval of the IRC and upon providing unitholders of the Funds with 60 days' advance written notice in accordance with the provisions of the Master Declaration of Trust for the Funds and as permitted by applicable securities laws.

The Manager acts as the registrar and transfer agent for the Funds. The Manager has made arrangements to have certain registrar and transfer agency functions performed by Scotiabank.

CERTIFICATE OF THE FUNDS AND THE MANAGER AND PROMOTER OF THE FUNDS

October 9, 2018

1832 AM Investment Grade U.S. Corporate Bond Pool
Scotia Private Diversified International Equity Pool
Scotia Private International Growth Equity Pool
Scotia Aria Equity Build Portfolio
Scotia Aria Equity Defend Portfolio
Scotia Aria Equity Pay Portfolio

(collectively, the "**Funds**")

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

"Glen Gowland"
Glen Gowland
Chairman of the Board and President
(*Signing in the capacity of Chief Executive Officer*)
1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as manager, trustee and promoter of the Funds

"Anil Mohan"
Anil Mohan
Chief Financial Officer
1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as manager, trustee and promoter of the Funds

ON BEHALF OF
the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as manager, trustee and promoter of the Funds

"Brett Bastin"
Brett Bastin
Director

"Jim Morris"
Jim Morris
Director

CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR

(Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)

October 9, 2018

Scotia Aria Equity Build Portfolio
Scotia Aria Equity Defend Portfolio
Scotia Aria Equity Pay Portfolio

(collectively, the "**Funds**")

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

Scotia Securities Inc.
as principal distributor of the Premium Series,
Premium TL Series, Premium T Series and Premium
TH Series units of the Funds

"Anil Mohan"

Anil Mohan
Director

ScotiaFunds®

Managed by:

1832 Asset Management L.P.
1 Adelaide Street East
28th Floor
Toronto, Ontario
M5C 2V9
www.scotiafunds.com
1.800.268.9269
fundinfo@scotiabank.com

Additional information about the Funds is available in the Funds' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of the Funds' financial statements and management reports of fund performance free of charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or from your registered investment professional or on our website at www.scotiafunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sedar.com.

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