

Scotia Selected Balanced Income Portfolio - Series A

Canadian Fixed Income Balanced

Investment Objective

The portfolio's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

Reasons for Investing

- Invests in a mix of ScotiaFunds diversified by asset class, geographic region, economic sector and investment style, aiming to maximize returns while managing risk.
- Rigorous portfolio construction by an experienced team combined with regular monitoring and daily cash flow rebalancing help to ensure each portfolio stays on track.
- From creating the optimal asset mix and selecting funds, to their monitoring and rebalancing, each portfolio delivers convenience and simplicity.

Risk Rating



Time Horizon — Medium-Long

FUND ESSENTIALS

| | |
|--------------------------|--|
| Inception Date | April 28, 2003 |
| Total Assets \$mil | 1,038.56 |
| Min. Initial Inv.(\$) | 500 |
| Min. Additional Inv.(\$) | 25 |
| Income Distribution | Annually |
| Capital Distribution | Annually |
| MER % (as of 12/31/2017) | 1.87 |
| NAV \$ | 13.26 |
| Benchmark | 65% FTSE TMX Canada Universe Bond Index, 17% S&P/TSX Composite Index, 18% MSCI World Index |

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | BNS340 |
| F | No Load | CAD | BNS540 |
| Adv* | Deferred Sales | CAD | BNS940 |
| Adv* | Front End | CAD | BNS740 |
| Adv* | Low Load | CAD | BNS840 |
| T | No Load | CAD | BNS440 |

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

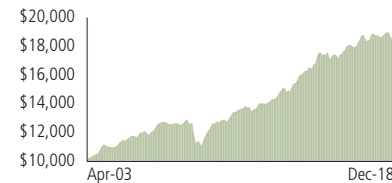
PERFORMANCE & PORTFOLIO ANALYSIS

| Compound returns (%) | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 2 Yr | 3 Yr | 5 Yr | 10 Yr |
|----------------------|-------|-------|-------|-------|------|------|------|-------|
| Fund | -0.96 | -1.88 | -1.67 | -1.40 | 1.49 | 2.01 | 3.64 | 4.95 |

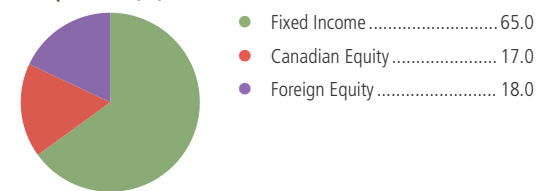
| Calendar Year Returns (%) | YTD | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------------|-------|------|------|------|------|------|------|------|------|-------|-------|
| Fund | -1.40 | 4.46 | 3.07 | 3.84 | 8.50 | 7.21 | 5.11 | 1.29 | 6.54 | 11.50 | -9.60 |

| Distributions (\$/unit) | YTD | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | 0.16 | 0.17 | 0.41 | 0.36 | 0.37 | 0.22 | 0.19 | 0.16 | 0.16 | 0.19 | 0.25 |
| Interest | -- | -- | -- | 0.00 | 0.06 | -- | 0.14 | 0.11 | 0.11 | 0.15 | 0.20 |
| Dividends | -- | 0.10 | 0.10 | 0.12 | 0.08 | 0.12 | 0.05 | 0.05 | 0.05 | 0.04 | 0.05 |
| Capital Gains | -- | 0.07 | 0.31 | 0.24 | 0.23 | 0.10 | -- | -- | -- | -- | -- |

Growth of \$10,000



Composition (%)



Portfolio Holdings

| | % Assets |
|---|--------------|
| Fixed Income | 65.00 |
| Dynamic Total Return Bond Fund | 19.50 |
| Scotia Canadian Income Fund | 16.25 |
| Dynamic Canadian Bond Fund | 16.25 |
| Scotia Private Canadian Corporate Bond Pool | 13.00 |
| Canadian Equity | 17.00 |
| Scotia Canadian Dividend Fund | 9.25 |
| Dynamic Dividend Advantage Fund | 4.25 |
| Dynamic Small Business Fund | 3.50 |
| Foreign Equity | 18.00 |
| Scotia Global Dividend Fund | 9.75 |
| Scotia Global Growth Fund | 5.50 |
| Scotia Global Equity Fund | 1.75 |
| Scotia Global Small Cap Fund | 1.00 |

Allocations (%)

| | |
|---------------------------------|------|
| Canadian Equity | |
| Income Focused Equity | 13.5 |
| Income-Focused Small Cap Equity | 3.5 |
| Fixed Income | |
| Core Fixed Income | 45.5 |
| Tactical Fixed Income | 19.5 |
| Foreign Equity | |
| Income-Focused Equity | 9.8 |
| Core Equity | 7.3 |
| Small Cap Equity | 1.0 |
| Total Portfolio Holdings | |
| Equity Funds | 7 |
| Fixed Income Funds | 4 |
| Other Funds | 0 |
| Total Number of Mutual Funds | 11 |

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MANAGER BIO



Judith Chan
Manager Since October 1, 2012
1832 Asset Management L.P.

Judith Chan is Director, Portfolio Solutions - Canadian Banking at 1832 Asset Management L.P. With more than 10 years in the investment industry, she currently manages all Scotia Portfolios which encompasses asset allocation, fund selection, fund due diligence, and the day-to-day management of all portfolios. In her previous role as Senior Manager, Investment Oversight, Judith was responsible for the oversight of all investment products offered through 1832 Asset Management L.P., which involved performance monitoring, portfolio advisor due diligence and competitive fund positioning. Judith has a Bachelor of Economics from Simon Fraser University in Vancouver British Columbia, and has been a CFA Charterholder since 2006.

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

IMPORTANT MUTUAL FUND INFORMATION

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