



Annual Information Form

March 22, 2022

Alternative Mutual Fund

Scotia Wealth Credit Absolute Return Pool (Series M)

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

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

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INTRODUCTION

In this document:

Fund or *Funds* means Scotia Wealth Credit Absolute Return Pool and where the context requires, refers to one or more ScotiaFunds;

Manager, 1832 LP, we, us, and our refer to 1832 Asset Management L.P.;

Scotiabank includes The Bank of Nova Scotia (Scotiabank[®]) and its affiliates, including The Bank of Nova Scotia Trust Company (Scotiabank[®]), 1832 Asset Management L.P., Scotia Securities Inc. and Scotia Capital Inc. (including ScotiaMcLeod[®] and Scotia iTRADE[®], each a division of Scotia Capital Inc.);

ScotiaFunds refers to the fund and all of other mutual funds and the series thereof which are offered under separate simplified prospectuses under the ScotiaFunds[®], Scotia Wealth Pools and Pinnacle Portfolios brands;

securityholder refers to unitholders of the Fund;

Tax Act means the *Income Tax Act* (Canada);

underlying fund refers to Dynamic Credit Absolute Return II Fund or another investment fund (either a ScotiaFund or other investment fund including an exchange-traded fund) in which a Fund invests.

NAME AND FORMATION OF THE FUND

This is the annual information form of the Scotia Wealth Credit Absolute Return Pool (the “Fund”).

The Fund is an open-end mutual fund trust governed by the laws of Ontario.

1832 Asset Management L.P. (the “**Manager**”, “**Trustee**”, “**we**”, “**us**” or “**our**”) is the manager and the trustee of the Fund. The head office of the Manager and of the Fund 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 Fund will be established under the laws of Ontario and governed by an amended and restated master declaration of trust dated August 20, 2015 and a supplemental establishing the Fund dated March 22, 2022, as the same may be amended, restated or replaced 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.

INVESTMENT RESTRICTIONS AND PRACTICES

The simplified prospectus of the Fund contains detailed descriptions of the respective investment objectives, investment strategies and risk factors of the Fund. In addition, the Fund is 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 Fund are diversified and relatively liquid and to ensure the appropriate administration of the Fund. Except for the deviations described below, the Fund is managed in accordance with these restrictions and practices. The Fund has 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 the Fund may not be changed without the approval of a majority of voting securityholders of the Fund.

The Fund will not engage in any undertaking other than the investment of its assets in property for the purposes of the Tax Act. 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.

Self-Dealing Restrictions

Offerings Involving a Related Underwriter

The Fund is considered a dealer managed investment fund and follows the dealer manager provisions prescribed by NI 81-102.

The Fund 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 Fund, 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 Fund is subject to certain restrictions when dealing with, or investing in, the Manager or parties related to the Manager. The Fund, 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 Fund, along with other mutual funds managed by the Manager, can rely on 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 Fund 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 IRC for the Fund 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 Fund may use or invest in derivative instruments consistent with their respective investment objectives and as permitted by applicable securities laws. Investing in, or using, derivatives is subject to certain risks. If permitted by applicable securities legislation, the Fund may enter into over-the-counter bilateral derivatives transactions with counterparties that are related to the Manager.

Exchange-Traded Funds

The Fund may be permitted under securities regulations to invest in certain exchange-traded funds (“ETFs”) listed on a recognized exchange in Canada. The Fund, along with other mutual funds managed by the Manager, can rely on exemptive relief to invest in certain ETFs managed by the Manager, each of which holds up to 100% of its net asset value in securities of a corresponding underlying mutual fund, provided: (i) the Funds do not short sell securities of the ETF; (ii) the ETF is not an alternative mutual fund; (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; and (iv) the ETF does not invest in another investment fund other than the underlying mutual fund that is identified in its investment objectives.

Gold Exchange-Traded Funds

The Fund, along with other mutual funds managed by the Manager, has received the approval of the Canadian securities regulatory authorities to invest in exchange-traded funds that

are traded on a stock exchange in 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 Fund may be permitted under securities regulations to invest in certain non-redeemable (or closed-end) investment funds (“**Closed-End Funds**”). The Fund, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities to invest in Closed-End Funds that are traded on a stock exchange in the United States, 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.

Fixed Income Securities

The Fund, along with other mutual funds managed by the Manager, has received an exemption from the requirements in securities legislation relating to purchasing and holding illiquid assets with respect to certain fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the “US Securities Act”), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as such term is defined in the US Securities Act). The exemptive relief is subject to certain conditions.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund 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 Fund 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 the Fund will not exceed more than 50% of the NAV of that Fund immediately after the Fund enters into such a transaction.

Short Selling

The Fund 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 Fund may engage in short selling only within certain controls and limitations. Generally, 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 10% of the net asset value of the Fund and the aggregate market value of all securities sold short by the Fund will not exceed 50% of the net asset value 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. In addition, the Fund may be indirectly exposed to short selling if the underlying funds in which they invest short sell.

The underlying fund, Dynamic Credit Absolute Return II Fund, has been granted exemptive relief to permit it to sell short evidences of indebtedness issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada, the government of a Canadian jurisdiction or the government of the United States of America up to 300% of the Fund’s net asset value.

Other Relief

The Fund, along with other mutual funds managed by the Manger has been granted exemptive relief to permit a Fund to reference in its sales communications: (a) Lipper, Inc. (“Lipper”) leader ratings and Lipper awards (where such Fund has been awarded a Lipper award) and (b) FundGrade Ratings and FundGrade A+ Awards (where such Fund has been awarded a FundGrade A+ Award), in each case, provided that certain conditions are met.

SECURITIES OF THE FUND

What are Units and Series of Units of the Fund?

The 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.

The Fund 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 the 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 the 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 the Fund, you are entitled to require the Fund to redeem your units at the price described under *How to Sell Securities*. Your units are generally redeemable without restriction. Upon liquidation or termination of the Fund, each unitholder of a series is entitled to participate ratably in the assets of the Fund attributable to that series.

Each unitholder of the 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 the Fund.

Matters Requiring Securityholder Approval

Subject to any exemption obtained by the Fund from applicable securities laws, the following matters currently require securityholder 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 the Fund;
3. a decrease in the frequency of calculating the NAV per security of the Fund;
4. changing the basis of the calculation of a fee or expense that is charged to the Fund or directly to its securityholders 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 the Fund or directly to its securityholders by the Fund or the Manager in connection with holding securities of the Fund, in a way that could result in an increase in charges to the Fund or its securityholders, except in certain circumstances as permitted under securities laws;
6. where the 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 securityholders of the Fund becoming securityholders of the other issuer. Notwithstanding the foregoing, no securityholder 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 securityholders at least 60 days' prior to the effective date of the reorganization or transfer;
7. where the 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 securityholders of the Fund and the transaction would be a material change to the Fund; and
8. where the Fund is restructured into a non-redeemable investment fund or into an issuer that is not an investment fund.

Because securityholders of the Fund are not charged sales commissions or redemption fees when they invest in or redeem securities of the Fund, securityholder meetings in respect of Series M units of the Fund is not required to approve the introduction of a fee or expense or any increase in the fees or expenses charged to the Fund or directly to securityholders if the securityholders of the applicable series are notified of the change in writing 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 Securities are Valued

How much the Fund is worth is called its "net asset value" or "NAV". When the 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 the 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 security 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 securities of that series outstanding at such time. A security's NAV is very important because it is the basis on which securities of the Fund are purchased and redeemed. The series NAV per security of the Fund varies from day to day. The Fund calculates the NAV of the securities 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 security may be suspended, subject to obtaining any necessary regulatory approval.

The NAV and NAV per security of the Fund is available at no cost by contacting the Manager at fundinfo@scotiabank.com.

Valuation of Portfolio Securities and Liabilities

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

In calculating the net asset value of the Fund or of a particular series of securities of that Fund at any time:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to securityholders of record on a date before the date as of which the net asset value of the Fund and any series net asset value are being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless determined that any such deposit, bills, demand notes, account receivable, prepaid expenses, cash dividends received or distributions received (or receivable) or accrued interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;
- (b) the value of any security which is listed on a stock exchange will be the official closing sale price or, if there is no such sale price, the average of the bid and the ask price at that time by the close of trading of the Toronto Stock Exchange, generally 4:00 p.m. (Toronto time), all as reported by any report in common use or authorized as official by the stock exchange, provided that if such official closing sale price is not within the latest available bid and ask quotations on the Valuation Date then the Manager has the discretion to determine a value which it considers to be fair and reasonable (the "**fair value**") for the security based on market quotations the Manager believes most closely reflect the fair value of the investment. The

trading hours for foreign securities that trade in foreign markets may end prior to 4:00 p.m. (Toronto time) and therefore may not take into account, among other things, events that occur after the close of the foreign market. In these circumstances, the Manager may determine what it considers to be a fair value for the foreign securities which may differ from such securities' most recent closing market prices. These adjustments are intended to minimize the potential for market timing strategies which are largely focused on mutual funds with significant holdings in foreign securities;

- (c) the value of the securities of any unlisted mutual fund will be the net asset value per unit or net asset value per share on the Valuation Date or, if the day is not a valuation date of the mutual fund, the net asset value per unit or net asset value per share on the most recent valuation date for the mutual fund;
- (d) the value of any security which is traded on an over-the-counter market will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and the ask prices at that time, all as reported by the financial press;
- (e) 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;
- (f) 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;
- (g) 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 net asset value 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 (e) above;

- (h) 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;
- (i) over-the-counter swap contracts are valued at 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; centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available);
- (j) the value of any security or other asset for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied, will be its fair value on the Valuation Date determined in a manner by the Manager in its discretion; and
- (k) the liabilities of the Fund include:
 - (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable or accrued (including management fees and administration fees);
 - (iii) all contractual obligations for the payment of money or property, including unpaid distributions or dividends;
 - (iv) all allowances authorized or approved by the Trustee or directors of the Corporation, as applicable, for taxes; and
 - (v) all other liabilities of the Fund; except liabilities represented by outstanding series of units or series of shares, as applicable, of the Fund

For the purpose of any conversion of monies from any other currency to Canadian currency 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 has not exercised its discretion to deviate from the valuation principles described above in the last three years.

The Manager will deviate from these valuation principles in circumstances where the above methods do not, in the view of the Manager, 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 the 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 securityholders, 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 Fund 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 SECURITIES OF THE FUND

How to Purchase Securities

Securities of the Fund are offered for sale on a continuous basis at their NAV per security from time to time, computed in the manner described under *How the Securities are Valued*. The

Fund may offer a number of series of securities. The series have different management fees and/or distribution policies and are intended for different investors. Certain series of Funds are only available to investors who participate in particular investment programs. The required minimum investment for a series may differ for individual Funds.

The Fund currently offers Series M units:

- Series M units are available to investors who have signed a discretionary investment management agreement with 1832 Asset Management L.P. or Scotiatrust.

Purchase orders received by the Manager by the close of trading of the Toronto Stock Exchange, generally 4:00 p.m. (Toronto time), on a Valuation Date will be effective on that day. Orders received after that time will be effective on the next Valuation Date. All orders for securities 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 securities 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 Fund, 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. 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 initial investment amount in Series M units of the fund is generally \$250,000.

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.

We can redeem or, if applicable, reclassify your units if the value of your investment in any fund drops below the minimum initial investment amount required. We will give you 30 days' written notice before selling or reclassifying your units.

The NAV per security for the purpose of issuing securities is the NAV per security next determined following receipt of a purchase order. No share or unit certificates, as applicable, will be issued by the Fund.

Securities of the Fund 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 securities. If the amount of the redemption proceeds exceeds the purchase price of the securities, 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 Fund does not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing securityholders 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

Series M units of the Fund are “no-load”, meaning that you do not pay a sales commission when you buy, reclassify, switch or sell securities of these series.

Trailing Commissions and Sales Incentive Programs

The Manager does not pay trailing commissions on Series M units. See *Dealer compensation* in the simplified prospectus of the Fund for details about trailing commissions and sales incentive programs.

In addition, Scotiabank may also include sales of securities of the Fund 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 as long as you are eligible to hold the particular series of the Fund into which you switch. A switch involves moving money from the first ScotiaFund to another ScotiaFund. Generally, a switch may be an order to sell and buy your securities. When we receive your order, we will sell your securities from the Fund and use the proceeds to buy the other ScotiaFund. The steps for buying and selling a ScotiaFund also apply to switches. A Fund may also charge you a short term or frequent trading fee if you switch your securities within 31 days of buying them, or if you have made multiple switches within 10 calendar days of purchase. See *How to Sell Securities* for details. You may only switch between Funds valued in the same currency.

Switches and Reclassifications

Switching between Funds

You can switch a series of units of one Fund for the same or a different series of units of another Fund as long as you are eligible to hold such series of the other Fund into which you switch. When you switch units between Funds the value of your investment will not change (except for any fees you pay to switch), but the number of units you hold will change. This is because each series of units of each Fund has a different unit price. A switch from a series of units of one Fund for the same or a different series of units of a different Fund will generally be considered a disposition for tax purposes and accordingly, you will realize a capital gain or capital loss.

Reclassifying between series of units of the Fund

You can reclassify your units of a series of the Fund to another series of units of the same Fund, as long as you are eligible to hold that series. If you reclassify units of one series of a Fund to another series, the value of your investment won't change (except for any fees you pay to reclassify your units), but the number of units you hold will change. This is because each series has a different unit value. Your dealer may charge you a fee to reclassify your units. In general, reclassifying units from one series to another series of the same Fund is not a disposition for tax purposes.

Switching between the Fund and a Corporate Fund

Switching between the Fund and a mutual fund structured as a corporation is considered a disposition for tax purposes. If you hold your securities in a non-registered account, you may realize a capital gain or loss on the disposition. See *Tax Treatment of Your Investment*.

How to Sell Securities

You may at any time sell securities back to the Fund by following the procedures described in the following section, unless at that time the Fund's obligation to purchase your securities has been temporarily suspended by the Fund with, where necessary, the prior consent of the applicable Canadian securities regulators. Your request to have the Fund buy back your securities 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 securities which are the subject of your sell order will be the NAV per security next determined following receipt of your sell order by the Fund. Redemption requests received by the Manager prior to the close of trading of the Toronto Stock Exchange, generally 4:00 p.m. (Toronto time) on a Valuation Date will be effective on that day. Redemption requests received after that time will be effective on the next Valuation Date. Payment for your securities 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 securities issued to you under a prior purchase order.

Short-Term Trading Fee

Short-term trading (including “market-timing” trading) can increase the Fund’s expenses, which affects all securityholders 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 securities. 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 securities 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 securities 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) automatic rebalancing that is part of the service offered by the Manager; (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 securities of one Fund between two accounts belonging to the same securityholder; (v) regularly scheduled registered retirement income fund (“RRIF”) or life income fund (“LIF”) payments; (vi) reclassifying securities from one series to another series of the same Fund; and (vii) redemptions, switches or reclassifications of securities purchased through the automatic reinvestment of distributions.

If securities regulations mandate the adoption of specified policies relating to short-term trading, the Fund 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 Fund 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 securityholders 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 the 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 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 Fund will generally not accept sell orders placed by telephone, wire or by other electronic means directly from securityholders.

If a securityholder fails to provide the Manager on behalf of the 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 securities being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such securities. If such amount is less than the redemption proceeds, the Fund is permitted to retain the excess. If such amount exceeds the redemption proceeds, your dealer must pay the Fund the amount of the deficiency. Those dealers or brokers may collect such amounts 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.

The Fund reserves the right to suspend the right of redemption or to postpone the date of payment of redeemed securities: (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. We may suspend your right to redeem your securities and postpone payment of your redemption proceeds if the Fund in which you are invested is invested in an underlying fund and such underlying fund suspends the Fund's right to redeem its investment. 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 Fund. Some further details are included below:

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 securities of the Fund. Minimum initial and subsequent deposits for a Scotia Registered Plan are the same as those set out under *How to Purchase Securities*. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager.

You may open a Scotia Registered Plan (or other similar plans) that may be offered by Scotia Wealth Management (including Private Investment Counsel, a service offered by 1832 Asset Management L.P., and Scotiatrust) by completing the required forms which you may obtain directly from them.

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 Fund assume no liability as a result of Scotia Registered Plans being made available.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a general, but not an exhaustive, summary of how investments in the Fund are taxed under the Tax Act. It applies to investors (other than trusts) who are residents of Canada, deal with the Fund at arm’s length and hold their securities 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 the Fund 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, 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 Fund

The 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.

The 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, the 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 the 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.

The Fund’s revenues, deductible expenses (including expenses and management fees, performance fees and other expenses specific to a particular series of the 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 the 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.

In general, subject to the application of the DFA Rules discussed below, gains and losses realized by the Fund from derivative transactions will be treated for income tax purposes as being on income account unless applicable jurisprudence or CRA administrative policy would support treating such gains and losses as being on capital account. Any such gains and losses will generally be recognized for income tax purposes at the time they are realized by the Fund. Pursuant to the Tax Act, an election to realize gains and losses on “eligible derivatives” (as defined in the Tax Act) of the Fund on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for the Fund.

The DFA Rules target financial arrangements (referred to as “**derivative forward agreements**”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other

agreements or transactions (including certain options). If the DFA Rules were to apply in respect of derivatives utilized by the Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. The Tax Act exempts the application of the DFA Rules on currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

The “suspended loss” rules in the Tax Act may prevent the 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.

The 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 the 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 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 acquisition or redemption of units by another unitholder of the trust. Generally, a loss restriction event will be deemed not to occur for the 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

The Fund may not qualify as a “mutual fund trust” under the Tax Act. If the 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 the 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 the 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, the 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. The 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 the 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

Upon the actual or deemed disposition of a unit of the Fund, including on the redemption of a unit by the Fund and on a switch between Funds (but not a reclassification of units among series of the 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 the Fund must calculate the adjusted cost base separately for units of each series of the 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 10 $\frac{2}{3}$ % on its “aggregate investment income” for the year. Amendments to the Tax Act may 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 the 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 the 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 the 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 the 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 the 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 the 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 the Fund to Registered Plans and capital gains realized by Registered Plans on a disposition of units of the 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

Provided that the 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 the 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 Fund 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.

Investors should consult with their tax advisors regarding whether an investment in the 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 provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”), and its implementing provisions under Part XVIII of the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax on certain U.S. sourced income 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 annually, including tax residency details and financial information, such as account balances, of investors that failed to provide information or required documents to their financial advisor or dealer related to their citizenship and residency for tax purposes if indicia of U.S. status are present 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 “**CRA**”). The CRA will in turn provide such information to the IRS.

The 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. 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 (the “**CRS**”), the Fund is required under Part XIX of the Tax Act to identify and to report annually 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 tax resident in a country other than Canada or the United States. The information is shared with CRS participating jurisdiction in which the securityholder 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 FUND IS MANAGED AND ADMINISTERED

The Manager

The Manager acts as the manager of the Fund pursuant to an amended and restated master management agreement dated 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, October 9, 2018, November 14, 2019, January

15, 2020, January 22, 2020, July 30, 2020, October 29, 2020, March 22, 2022 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 Fund, 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 securityholder 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 Fund, and brokers or dealers in connection with the portfolio transactions of the Fund.

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

The Manager receives, pursuant to the Master Management Agreement, management fees and, where applicable, administration fees from the Fund in respect of certain series of securities of the Fund, as described in the simplified prospectus of the Fund. The Fund is required to pay tax on the management fees and, where applicable, administration fees, which they pay to the Manager, as well as on most other goods and services they acquire.

In order to encourage very large investments in the 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 the Fund or a securityholder with respect to a securityholder’s investment in the Fund. An amount equal to the amount so waived may be distributed to such securityholder by the Fund or the Manager, as applicable (called a “**Management Fee Distribution**”). In this way, the cost of Management Fee Distributions are effectively borne by the Manager, not the Fund or the securityholder as the Fund or the securityholder, as applicable, are paying a discounted management fee. Management Fee Distributions are calculated and credited to the relevant securityholder on each business day and distributed on a monthly basis, first out of net income and net taxable capital gains of the relevant Fund and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional securities of the relevant series of the Fund. The payment of Management Fee Distributions by the Fund or the Manager, as applicable, to a securityholder in respect of a large investment is fully negotiable between the Manager, as agent for the Fund, and the securityholder’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 securityholder’s registered

investment professional or broker or dealer the details of any Management Fee Distribution or Management Fee Rebate arrangement.

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

For additional information concerning the management of the Fund, you should refer to *How the Fund is 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 of the Manager (the “**General Partner**”), currently consists of eight 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
John Pereira Richmond Hill, Ontario	Chairman of the Board and Director	Senior Vice President and Chief Operating Officer, Global Wealth Management, Scotiabank
Neal Kerr Toronto, Ontario	President and Director	President, the Manager Senior Vice President, Asset Management, Scotiabank
Gregory Joseph Grimsby, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Director, Global Asset Management Finance, Scotiabank
Raquel Costa Toronto, Ontario	Director	Senior Vice President, International Wealth Management, Scotiabank

Name and Municipality of Residence	Positions Held with the General Partner	Principal Occupation
Todd Flick Burlington, Ontario	Director	Managing Director, Scotia Private Investment Counsel & Jarislowsky, Fraser Ltd. Private Wealth Management, Scotiabank
Craig Gilchrist Toronto, Ontario	Director	Senior Vice President, Vice Chairman and Head Global Family Office, Global Strategic Client Group Scotiabank
Anil Mohan Thornhill, Ontario	Director	Vice President & Chief Financial Officer, Global Wealth Management, Scotiabank
Jim Morris Caledon, Ontario	Director	Chief Operating Officer, the Manager and Managing Director, Scotia Global Asset Management, Scotiabank
Anna Tung Toronto, Ontario	Director	Vice President, Risk Management, Controls & Data Analysis, 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. Kerr who prior to March 2019 was Executive Vice President with CI Investments Inc. and Ms. Costa who prior to August 2019 was Director Ejecutivo, Customers and Core Bank with HSBC Mexico.

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
Neal Kerr Toronto, Ontario	President and Ultimate Designated Person	President, the Manager Senior Vice President, Asset Management, Scotiabank
Gregory Joseph Grimsby, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Director, Global Asset Management Finance, Scotiabank
Dan Donnelly Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer, the Manager Senior Vice President, Compliance, Canadian Banking & Global Wealth Management, Global Risk Management Global Compliance Canadian Banking & Wealth Management, 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) except for Mr. Kerr who prior to March 2019 was Executive Vice President with CI Investments Inc.

The Portfolio Advisor

The portfolio advisor analyzes potential investments and makes investment decisions. They are responsible for managing the investment portfolios of the Fund. We list below the portfolio advisor and details about the individuals who are principally responsible for managing the Fund. The day-to-day investment decisions made by the portfolio advisor are not subject to the approval of the Manager.

The Manager is responsible for the fees paid to the portfolio advisor. Where a portfolio sub-advisor has been appointed, 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 Fund, you should refer to *Material Contracts* in this annual information form.

Pursuant to the Management Agreement the Manager acts as portfolio advisor to the Fund. The individual providing advice is as follows:

Portfolio Advisor	Current Title	Length of Service with Portfolio Advisor and Principal Occupation in the Last 5 Years
Marc-André Gaudreau <i>Scotia Wealth Credit Absolute Return Pool</i>	Vice President & Senior Portfolio Manager	Joined in November 2012
Jeremy Lucas <i>Scotia Wealth Credit Absolute Return Pool</i>	Vice President & Portfolio Manager	Joined in December 2017. Prior to December 2017, Mr. Lucas was Director, High Yield Sales & Trading at Scotia Capital.
Roger Rouleau <i>Scotia Wealth Credit Absolute Return Pool</i>	Vice President & Portfolio Manager	Joined in November 2012

Custodian

Pursuant to an Amended and Restated Master Custodian Contract dated April 27, 2004, as amended, State Street Trust Company Canada, Toronto, Ontario ("State Street") is custodian of the assets attributable to the Fund. For additional information concerning the custodian of the Fund, you should refer to *Material Contracts* in this annual information form.

A change of custodian will, in certain events, require the prior approval of securities regulatory authorities. Where a Fund makes use of clearing corporation options, the Fund may deposit portfolio securities or cash as margin in respect of such transactions with a dealer, or in the case of over-the-counter options or forward contracts, with the other party thereto, in any such case in accordance with the policies of Canadian securities authorities. Where a Fund effects a short sale, the Fund may deposit assets as security with its custodian or dealer from whom the Fund borrowed the securities forming part of the short sale.

Securities Lending Agent

In the event the Fund engages in a securities lending, repurchases or reverse repurchase transaction, then State Street Bank and Trust Company ("SSBTC") will be appointed as the Fund's securities lending agent. The principal office of SSBTC is located in Boston, Massachusetts. SSBTC is the principal sub-custodian of the Funds. SSBTC is independent of us. For additional

information concerning the securities lending arrangements, you should refer to *Material Contracts* in this annual information form.

Lender

The Fund will not directly borrow for investment purposes. The underlying fund this Fund invests in may borrow money from prime brokers for investment purposes in accordance with its investment objectives and strategies. Additional information about the Dynamic Credit Absolute Return II Fund is set out in its simplified prospectus and annual information form. These documents, and other information about the underlying fund, are available at www.dynamic.ca or at www.sedar.com, or by contacting your broker or dealer.

Auditor, Transfer Agent and Registrar

Until April 1, 2022, PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2, is the auditor of the Fund.

Effective April 1, 2022, KPMG LLP, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5, will be the auditor of the Fund.

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

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

FUND GOVERNANCE

The Manager is responsible for the day-to-day administration and management of the Fund. The Manager is also the portfolio advisor to the Fund and may retain portfolio sub-advisors for the Fund. 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 Fund.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Fund 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 Fund. 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 Fund 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. The portfolio advisors have established policies and guidelines relating to business practices, risk management controls and conflicts of interest. In addition, each portfolio advisor has its own code of ethics that addresses such things as personal trading by employees.

The Fund has a Trade Management Oversight Committee that is responsible for, among other things, the oversight of policies and procedures related to liquidity risk management. This committee is comprised of at least one member who is independent of portfolio management, in addition to representatives from the fund manager, the portfolio manager, investment risk, compliance, and operations, each of whom has relevant subject matter expertise. Liquidity risk management is part of the Fund's broader risk management process which includes documented internal policies and procedures pertaining to the measurement, monitoring, mitigation and reporting of risks within the Fund.

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 the 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 the Fund and other Funds, and any change of the auditor of the 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 currently has five members, Stephen J. Griggs (Chair), Steve Donald, 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 Fund 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 component of compensation is an annual retainer fee. Prior to November 1, 2021, each IRC member also received 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 Fund 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 the Fund will not exceed more than 50% of the NAV of that Fund immediately after the Fund enters into such a transaction. Each Fund will comply with all other applicable requirements of securities and tax legislation with respect to these transactions.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of the Fund will be developed by the Manager and the Fund's custodian acting as its agent in administering the transaction. 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 the 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 the Fund are voted in the best interest of the 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 the 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 or consulting with the members of the IRC.

Where the Manager acts as portfolio advisor for the 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 voting on the size, nomination and election of the board of directors and the appointment of auditors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non-routine matters, such as stock-based compensation plans, executive severance compensation arrangements, shareholders rights plans, corporate restructuring plans, going private transactions in connection with leveraged buyouts, lock-up arrangements, crown jewel defenses, supermajority approval proposals, and stakeholder or shareholder proposals, these matters are brought to the attention of the portfolio manager(s) of the applicable Fund on a case-by-case basis for consideration and final approval. On occasion, the Manager may abstain from voting a proxy or a specific proxy item when it is concluded that the potential benefit of voting the proxy of that issuer is outweighed by the cost of voting the proxy. In addition, the Manager will not vote proxies received for issuers of portfolio securities which are no longer held in a Fund's account.

The Fund invests in other underlying mutual funds, including mutual funds managed by us. If a securityholder meeting is called for an investment fund that is managed by us, the Manager will not vote the securities of the underlying mutual fund. The Manager may arrange for these securities to be voted by securityholders 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

The Fund may use derivatives as described in the simplified prospectus of the Fund. Any use of derivatives by the Fund is governed by the Manager's own policies and procedures relating 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 is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control measures. If permitted by applicable securities legislation, the Fund may enter into over-the-counter bilateral derivatives transactions with counterparties that are related to the Manager.

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

Policies on Short-Selling

The Fund may engage in short selling as described earlier in this document. The Manager intends to manage the risks associated with short selling by complying with the restrictions set out above under *Investment Restrictions and Practices - Short Selling*.

The Manager has developed written policies and procedures relating to short selling (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) are reviewed by senior management of the Manager. The Board of Directors of the General Partner will also be kept apprised of any short selling policies. The decision to effect any particular short sale is made by senior portfolio managers of the Manager and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are not used to test the portfolios of the Fund under stress conditions.

Portfolio Transactions and Brokers

The Manager, or the portfolio sub-advisor of the 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 a Fund 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 Fund, 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 Fund, such as a change in the fundamental investment objectives of the 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.

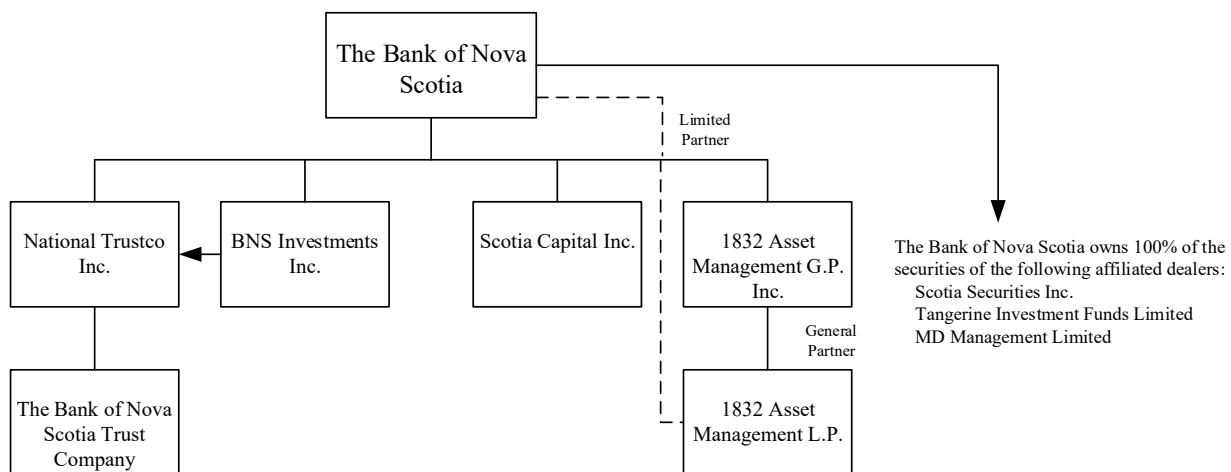
The Promoter

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

Affiliated Entities

The only affiliated entities that provide services to the Fund and to the Manager in connection with the Fund are Scotiabank, Scotia Capital Inc., and The Bank of Nova Scotia Trust Company. 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 March 22, 2022, 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.

On March 22, 2022, all Series M units of the Fund were issued to 1832 LP. No other units of the Fund are issued and outstanding.

As March 22, 2022, 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 series of the Fund. As at March 22, 2022, 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 any significant amount of any material service provider to the Fund or to the Manager.

As at March 22, 2022, 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 March 22, 2022, 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 any significant amount of any material service provider to the Fund 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 Fund.

Prior to November 1, 2021, each member of the IRC received 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, 2021, 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
Stephen Griggs (Chair)	\$78,000.00	\$0
Simon Hitzig	\$63,000.00	\$0
Heather Hunter	\$63,000.00	\$0
Jennifer L. Witterick	\$63,000.00	\$0
Steve Donald	\$63,000.00	\$0

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.

Related Party Transactions

The Manager receives management fees and, where applicable, administration fees from the Fund as described above under *The Manager*. The fees received by the Manager are disclosed in the financial statements of the Fund.

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

Funds that invest in underlying funds that are managed by the Manager or an associate or affiliate of the Manager will not vote any of the securities of those underlying funds. The Manager may, however, arrange for securityholders to vote their share of those securities.

MATERIAL CONTRACTS

Copies of the Articles, 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 Fund is governed by the Master Declaration of Trust. The Fund was settled with effect for the Fund as set out below. The Fund 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 the Fund. The Manager is the trustee of the Fund and may terminate the 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 March 22, 2022, the Master Declaration of Trust and Schedule A thereto were amended to establish the Fund.

Master Management Agreement

The Master Management Agreement is between the Manager, as the manager, and 1832 LP, in its capacity as trustee of the Fund, with effect for the Fund as of the date it was created. The initial term of the Manager in respect of a Fund is five years and is automatically renewed for a further five years unless terminated in accordance with the provisions of the Agreement. The

Master Management Agreement may be terminated at any time by the Manager giving at least 90 days' prior notice to a Fund of such termination and by the trustee of a Fund with securityholder approval on 90 days' written notice to the Manager prior to the expiry of the term or at any time by the trustee of the Fund if bankruptcy or insolvency or other proceedings relating to the Manager are commenced and such proceedings are not stayed within 60 days.

Custodian Agreements

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 April 27, 2004, and as may be amended from time to time (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 Fund, and may be terminated by either party giving at least 90 days' prior notice to the other of such termination. State Street Bank and Trust Company ("**SSBTC**"), Boston, Massachusetts, U.S.A. acts as principal sub-custodian of the Fund.

Securities Lending Agent Agreements

In the event the Fund engages in a securities lending, repurchase or reverse repurchase transaction, SSBTC 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.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

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

**CERTIFICATE OF THE FUND AND THE MANAGER AND
PROMOTER OF THE FUND**

March 22, 2022

Scotia Wealth Credit Absolute Return Pool
(the "**Fund**")

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.

"Neal Kerr"

Neal Kerr

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 Fund

"Gregory Joseph"

Gregory Joseph

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 Fund

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 Fund

"John Pereira"

John Pereira

Director

"Jim Morris"

Jim Morris

Director



Scotia Wealth Credit Absolute Return Pool

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 Fund is available in the Fund's Fund Facts, management reports of fund performance and financial statements.

You can get a copy of the Fund's 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 Fund, such as information circulars and material contracts, are also available at www.sedar.com.

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