

Scotia Premium Money Market Fund

Scotia Premium US Dollar Indexed Fund

Scotia Premium Short-Term Income Fund (JMD)

Scotia Premium Short-Term Income Fund (USD)

*(each, a portfolio of the SCOTIA INVESTMENT FUND)*

Scotia Premium Growth Fund

Scotia Premium Fixed Income Fund

## *Offering Circular Conditions & Regulations*

“The Financial Services Commission (FSC) does not pass upon the accuracy or adequacy of the information contained in this Offering Circular. Any representation to the contrary will be deemed by the FSC to be a false and misleading statement.”

This Offering Circular was submitted to the FSC for registration on the 1<sup>st</sup> day of July, 2022 and registered on the 1<sup>st</sup> day of August, 2022.

This Offering Circular is effective from the date of registration to the 31<sup>st</sup> day of July, 2023. Upon the expiry of this effective period, this Offering Circular should not be used as a basis for marketing units in the Scotia Investment Fund, the Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund.

### **Scotia Investments Jamaica Limited**

3<sup>rd</sup> Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets, Kingston, Jamaica, W.I.

Scotia Global Asset Management and Scotia Funds are the brand names under which the Scotiabank group of companies, including Scotiabank & Trust (Cayman) Ltd. and Scotia Investments Jamaica Limited, markets and distributes mutual funds and unit trusts. ™ Trademark of The Bank of Nova Scotia, used under license where applicable.

## Offering Circular Conditions and Regulations

The Funds (being the Scotia Investment Fund, the Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund) are open-ended unit trust schemes established under the relevant laws of Jamaica and which are comprised of diversified portfolios of investments.

The Scotia Investment Fund was established by a Trust Deed dated the 6<sup>th</sup> day of July, 2011, duly registered with the FSC on the 1<sup>st</sup> day of October, 2011.

The Scotia Premium Growth Fund was established by a Trust Deed dated 23<sup>rd</sup> June 1987 and was registered under the Unit Trusts Act on 29<sup>th</sup> June 1987.

The Scotia Premium Fixed Income Fund was established by a Trust Deed dated 11<sup>th</sup> February 1994 and was registered under the Unit Trusts Act on 22<sup>nd</sup> February 1994.

### 1. MANAGEMENT & SERVICE PROVIDERS OF THE FUNDS

#### A. TRUSTEE

The Trustee for the Funds is JCSD Trustee Services Limited, a company duly incorporated on the 21<sup>st</sup> day of July 2008 in Jamaica and a wholly owned subsidiary of the Jamaica Central Securities Depository Limited with its registered office at 40 Harbour Street, Kingston. The ultimate parent company of the Trustee is the Jamaica Stock Exchange Limited. The Trustee satisfies the legal requirements to be a Trustee for a Collective Investment Scheme. The Trustee also satisfies the Financial Services Commission's criteria for Fit & Proper Status and meets the stipulated capital requirements. The core business of the Trustee is that of providing trustee services. The Trustee is entitled to receive a fee as agreed from time to time by the Manager and the Trustee; this fee is payable out of the asset of the Funds. The directors of the Trustee as of July 1, 2022 are:

Livingstone Morrison	Chairman
Curtis Martin	Deputy Chairman
Gary Peart	Director
Marlene Street-Forrest	Director
Justine Collins	Director
Leo Williams	Director
Terron Francis	Director
Julian Mair	Director
Alvaro Casserly	Director
Kadyll McNaught-Hermitt	Company Secretary

#### B. MANAGER & INVESTMENT ADVISOR

The Manager of the Funds is Scotia Investments Jamaica Limited ("**Scotia Investments**" or "**SIJL**"), a company duly incorporated under the laws of Jamaica on March 11, 1992, and is a subsidiary of Scotia Group Jamaica Limited, with its registered offices at 3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets, Kingston, Jamaica, W.I.. The ultimate parent company of Scotia Investments is The Bank of Nova Scotia, which is incorporated and domiciled in Canada with its registered office located at Scotia Plaza, 44 King Street West, Toronto, Ontario, Canada. Scotia Investments is a licensed securities dealer. Scotia Investments has authorised shares of 1.2 billion at no par value, of which 325,891,065 are issued and fully paid. The value of the issued and fully paid shares is JA\$ 1,472,356,788.

The Manager is entitled to receive a management fee computed by reference to the Net Asset Value of each Fund.

The directors of the Manager are:

Jeffrey Hall	Chairperson
Barbara Alexander	Director
Angela Fowler	Director
William David McConnell	Director
Audrey Tugwell Henry	Director
Audrey Richards	Director
Jascha Jabes	Director
Leslie Reid	Director

Manager contact information:

3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets  
Kingston  
Telephone Number: 960-6700  
Email address: [sijlfundmanagers@scotiabank.com](mailto:sijlfundmanagers@scotiabank.com)  
Website: <https://jm.scotiabank.com/scotia-investments.html>

**C. PRINCIPAL DISTRIBUTOR**

Scotia Investments Jamaica Limited  
Licenced Securities Dealer  
3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets  
Kingston

Scotia Investments Jamaica Limited (“**Scotia Investments**” or “**SIJL**”), a company duly incorporated under the laws of Jamaica on March 11, 1992 is the principal distributor in Jamaica. Scotia Investments is a subsidiary of Scotia Group Jamaica Limited (Scotiabank Group) and represents the investment arm of the Scotia Group. The company is a licensed securities dealer.

**D. AUDITORS**

KPMG  
Chartered Accountants  
6 Duke Street  
Kingston

KPMG is a partnership formed in Jamaica on in 1987 providing audit and tax services.

**E. BANKERS**

The Bank of Nova Scotia Jamaica Limited  
86 Slipe Road  
Kingston 5

**F. ATTORNEYS-AT-LAW**

Hart Muirhead Fatta 53 Knutsford Boulevard Kingston 5	&	Harrison & Harrison 16 Hope Road Kingston 10
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## G. SUB-ADMINISTRATORS

For the Scotia Premium Money Market Fund, Scotia Premium Fixed Income Fund, Scotia Premium Growth Fund, and Scotia Premium USD Indexed Fund:

International Fund Services (N.A.), L.L.C.  
1290 Avenue of the Americas, 10th floor  
New York, NY 10104  
United States of America

International Fund Services (N.A.), L.L.C. (“IFS”) is a limited liability company incorporated on April 24, 1995 and duly organized under the laws of the state of Delaware, United States of America to provide fund accounting, fund administration and risk services to investment funds. IFS is the Sub-Administrator for the Scotia Premium Money Market Fund, Scotia Premium US Dollar Indexed Fund, Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund and performs substantially all of the administration tasks required of the Manager pursuant to the Management Agreements. IFS may delegate all or some of its functions to State Street Cayman Trust Company, Ltd., a trust company duly organized under the laws of the Cayman Islands with an unrestricted mutual fund administrator’s license issued under the Mutual Funds Law (2009 Revision) of the Cayman Islands.

For the Scotia Premium Short-Term Income Fund (USD) and Scotia Premium Short-Term Income Fund (JMD):

State Street Fund Services Toronto Inc.  
State Street Financial Center  
30 Adelaide Street East  
Suite 1100  
Toronto, Ontario  
Canada M5C 3G6

State Street Fund Services Toronto Inc (“SSFS”), is a corporation incorporated on October 12th, 1994 and duly organized under the laws of Ontario, Canada to provide fund accounting and fund administration services to investment funds. State Street Fund Services Toronto Inc. is the Sub-Administrator for the Scotia Premium Short-Term Income Fund (USD) and Scotia Premium Short-Term Income Fund (JMD) and performs substantially all of the administration tasks required of the Manager pursuant to the Management Agreements. State Street Fund Services Toronto Inc. may delegate all or some of its functions to State Street Bank and Trust Company - Canada Branch, a trust company incorporated on June 25th, 1792 and duly organized under the laws of Massachusetts, United States, who in turn will delegate certain sub-processing services to State Street Corporate Services Mumbai Pvt. Ltd., a private company incorporated on June 25th, 2010 and duly organized under the laws of India, and State Street Syntel Services Private Limited, a private company incorporated on February 4th, 2004 and duly organized under the laws of India.

## H. REGISTRAR & TRANSFER AGENT

International Financial Data Services, L.P.  
2000 Crown Colony Drive – 4th Floor  
Quincy, MA 02169  
United States of America

International Financial Data Services, L.P. (“IFDS”) is a limited partnership formed on January 31, 2001 and existing under the laws of the Commonwealth of Massachusetts. IFDS carries on business in Canada, Ireland and Luxembourg. IFDS provides outsourcing and technology solutions to the financial services industry, including to asset managers, banks and insurance

companies. Its main focus area is the recordkeeping and transaction processing of investment funds. The Registrar and Transfer Agent may sub-contract portions of the services it should provide as Registrar & Transfer Agent provided that it assumes responsibility for the (in)actions of those sub-contractors.

## 2. PORTFOLIOS

Each Fund may be comprised of one or more portfolios and/or class or classes of portfolios in any currency. The Manager has the discretion to establish further portfolios and classes of units within such portfolios subject to the applicable law and any required approval, regulatory or otherwise:

- a) The Scotia Investment Fund is comprised of four (4) portfolios – the **SCOTIA PREMIUM MONEY MARKET FUND**, the **SCOTIA PREMIUM US DOLLAR INDEXED FUND**, the **SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)** and the **SCOTIA PREMIUM SHORT-TERM INCOME FUND (USD)**
- b) The Scotia Premium Growth Fund is initially comprised of one (1) portfolio – the **SCOTIA PREMIUM GROWTH FUND**
- c) The Scotia Premium Fixed Income Fund is initially comprised of one (1) portfolio – the **SCOTIA PREMIUM FIXED INCOME FUND**.

Within each of the established portfolios in the Funds are offered two classes of units: Class A Units and Class I Units, denominated in Jamaican Dollars (JA\$) and denominated in United States Dollars (US\$) in the case of the Scotia Premium Short-Term Income Fund (USD). Class A Units are available to all investors. Class I Units are available only to eligible institutional investors and other qualified investors. Other classes of units may be offered from time to time. Further information may be obtained from the Manager or your financial advisor.

## 3. VALUATION, PURCHASE AND REDEMPTION OF UNITS

### A. VALUATION OF UNITS IN THE FUNDS

The Net Asset Value (**NAV**) for each portfolio and each class of units of the Funds will be calculated in accordance with the accounting standards used in Jamaica by the Funds' Sub-Administrators on the valuation dates established for each portfolio which shall be business days (**Valuation Date**). The NAV represents the fair value of all assets less all liabilities of a portfolio as at 3:00 p.m. Jamaican Time on the Valuation Date.

Each Unit in a portfolio or class is valued using the Net Asset Value per Unit (**NAVPU**). The NAVPU is calculated by taking the NAV of the particular portfolio on the relevant Valuation Date and dividing it by the number of Units outstanding or deemed to be outstanding, calculated to four decimal places.

The NAVPU for the Portfolios comprising the Funds are published twice a week, once in the Jamaica Observer and once in the Jamaica Gleaner. The NAVPU are also available on the Scotia Investments website which is <https://jm.scotiabank.com/scotia-investments.html>.

Where the underlying investments are represented by securities quoted on a regulated securities market or exchange, these are valued at the prevailing bid price as at the time of calculating the NAV. However, if an investment is quoted, listed or normally dealt in on one or more exchange or regulated market, the Registrar shall adopt the price on the exchange or regulated market, which in the Manager's opinion, provides the principal market for such investment. Securities which are not quoted on any active market will be valued in accordance with the Manager's customary valuation methodology for such securities. Under

the Manager's customary valuation methodology, the market value of such securities will be calculated using the yield curves developed by reputable international and local securities broker-dealers and which are published on a daily basis. Further, the market value of securities which are not traded internationally (zero or minimal publicly available trade data) such as domestic market sovereign and corporate bonds) will be determined using the yield curve developed or approved internally which includes inputs from reputable data houses, brokers and/or by the Jamaican Securities Dealers Association. Of note, the general lack of actual market trade data implies that there exists the possibility of deviation of the price from the actual executable trade price. In the case of any investment for which no price quotations are available or if the price, in the opinion of the Manager, is not a true reflection of the value of the investment, the Manager will use another method to determine its value. This method is called fair value pricing and it will be used when a security's value is affected by events which occur during or after the closing of the market where the security is principally traded. Fair value pricing may also be used in other circumstances.

## **B. PURCHASE OF UNITS**

Before purchasing Units in the Funds, it is important to read this Offering Circular in its entirety. If you require further explanation on any aspect of this Offering Circular, please contact the office of the Manager or your financial advisor.

Units in a portfolio of the Funds may be purchased on the business days established by the Manager at the NAVPU plus any duties and charges as the Manager may determine. All Fund transactions must be processed through the Manager or an authorized distributor.

With the exception of the Scotia Premium Money Market Fund, the Scotia Premium Short-Term Income Fund (JMD) and the Scotia Premium Short-Term Income Funds (USD), for which no initial sales charge is payable, an initial sales charge of up to 8% of the total amount paid for the Units of the Funds may be deducted and paid as a commission to the authorized distributor of the Funds. Unit Holders are at liberty to negotiate this charge with the authorized distributor. The net subscription amount, after deduction of the initial sales charge, if any, will be invested in the designated Fund if, and only if, the subscription order is accepted.

Purchase of Units shall be made by accurately completing the subscription form provided and providing the documentation required by the Manager. Purchase requests must be accompanied by the payment for the Units in full and must be received by the Manager before 3:00 p.m. Jamaican Time in order to purchase Units at that day's NAVPU. If not received by 3:00 p.m., purchase requests will be processed on the following business day.

The Manager reserves the right to accept or reject any application to purchase Units, within three days after receipt of the application. If an application is rejected, all monies received with the application will be returned without interest within three days of receipt of the application.

Investors should only purchase the Funds from persons who are appointed by the Manager and licensed and/or registered as a dealer under the Securities Act and Securities (Amendment) Act.

After the Initial Issue, further Units may be sold by the Manager to applicants for Units at the Net Asset Value Per Unit on days set by the Manager.

**C. MINIMUM INITIAL INVESTMENT**

The minimum initial investment in Class A Units in the Scotia Premium Money Market Fund, the Scotia Premium US Dollar Indexed Fund and the Scotia Premium Short-Term Income Fund (JMD) is JA\$150,000.00. All subsequent investments must be for at least JA\$50,000.00, except in the case where a subsequent investment is made via Pre-Authorized Contributions (**PAC**) (see “Pre-Authorized Contribution (PAC)” below).

The minimum initial investment is US\$1,000.00 for Class A Units in the Scotia Premium Short-Term Income Funds (USD), US\$1,000,000.00 for Class 1 Units in the Scotia Premium Short-Term Income Funds (USD), J\$150,000.00 for Class A Units in the Scotia Premium Short-Term Income Funds (JMD), and J\$15,000,000.00 for Class 1 Units in the Scotia Premium Short-Term Income Funds (JMD).

The initial minimum purchase of Class A Units in the Scotia Premium Growth Fund is 200 units or the equivalent at the Net Asset Value Per Unit. Purchases subsequent to the initial minimum purchase must be for at least 100 units.

The initial minimum purchase of Class A Units in the Scotia Premium Fixed Income Fund is 1,000 units or the equivalent at the Net Asset Value Per Unit. Purchases subsequent to the initial minimum purchase must be for at least 100 units.

Unit Holders of Class I Units are subject to a minimum initial investment amount as approved by the Manager of the Funds from time to time.

Units of the Funds may also be purchased using the Scotia Portfolios, subject to their inclusion in the Scotia Portfolios. The minimum initial investment in a Scotia Portfolio account is JA\$450,000.00 or such other amounts as may be prescribed from time to time by SIJL. All subsequent investments, including Pre-Authorized Contributions (**PAC**), in a Scotia Portfolio account are subject to a minimum of JA\$10,000.00 which will be allocated to the individual Funds within the model portfolio selected by the subscriber. See “**Scotia Portfolios**” later in this document for more information.

**D. PRE-AUTHORIZED CONTRIBUTION (PAC)**

Following the initial investment in a Fund or Scotia Portfolios account, a Unit Holder may make regularly Pre-Authorized Contributions (**PAC**) for Units of any Fund or Scotia Portfolios account using automatic transfers from his or her Scotiabank bank account to the Fund or Scotia Portfolios account. Unit Holders can invest a minimum monthly PAC amount of JA\$10,000.00 in any Jamaican Dollar denominated Fund and US\$100.00 in any United States Dollar denominated Fund or in a Scotia Portfolio account, or such amounts that may be prescribed by the Manager from time to time.

Unit Holders may provide written instructions to the Manager to discontinue the Pre-Authorized Contributions at any time.

**E. MINIMUM HOLDING AMOUNT**

The Manager may change the minimum holding amount in Units or dollar value of Units to be held by a Unit Holder in any Fund, from time to time, and on a case by case basis. Currently, a Class A Unit Holder may not make purchases or redemptions which will result in the number or value of Units they hold being less than the amounts stated below:

### Class A Minimum Holding Amount

Name of Fund	Minimum Balance
(i) Scotia Premium Money Market Fund	JA\$100,000.00
(ii) Scotia Premium US Dollar Indexed Fund	JA\$100,000.00
(iii) Scotia Premium Short-Term Income Fund (JMD)	JA\$100,000.00
(iv) Scotia Premium Short-Term Income Fund (USD)	US\$1,000.00
(v) Scotia Premium Growth Fund	200 units
(vi) Scotia Premium Fixed Income Fund	1,000 units

Upon the purchase or sale of Units, a confirmation of transaction note will be issued confirming the transaction. The confirmation of transaction note will indicate the number of Units purchased or sold by a Unit Holder.

### F. REDEMPTION OF UNITS

A Unit Holder may redeem any or all of his or her Units in the Funds on any Business Day established by the Manager by delivering to the Manager or authorized distributor a request for redemption on a duly executed redemption form which may be obtained from the offices of the Manager or authorized distributor. The Redemption Form must be accompanied with such documents as the Manager may require from time to time. No Units will be redeemed whilst the calculation of the NAV is suspended.

Units will be redeemed at the NAVPU computed at the end of trading on the day which the Manager receives the request to redeem, if the request is received by 3:00 p.m. Jamaican Time on a Valuation Date, and proceeds will be the value of such Units less any charges determined by the Manager in accordance with the Trust Deeds.

Redemption requests in good order which are received after 3:00 p.m. Jamaican Time on a Valuation Date or received on a day other than a Business Day will be processed on the following Business Day.

Payment of redemption proceeds will normally be dispatched within 3 Business Days after the relevant Valuation Date at the risk and expense of the redeeming Unit Holder, but may be dispatched up to 7 Business Days after the relevant Dealing Day at the discretion of the Manager.

Upon the redemption of Units, a confirmation of transaction note will be issued confirming the transaction. The confirmation of transaction note will indicate the number of Units sold by a Unit Holder.

### G. MINIMUM HOLDING PERIOD

The minimum holding period for the Units in the Scotia Premium Growth Fund is 30 days and the Manager reserves the right to apply a fee of up to 4% if Units are redeemed within the minimum holding period.

The minimum holding period for the Units in the Scotia Premium Fixed Income Fund is 90 days and the Manager reserves the right to apply a fee of up to 4% if Units are redeemed within the minimum holding period.



The minimum holding period for the Units in the Scotia Premium US Dollar Indexed Fund is 90 days and the Manager reserves the right to apply a fee of up to 4% if Units are redeemed within the minimum holding period.

There is no minimum holding period for the Units in the Scotia Premium Money Market Fund, the Scotia Premium Short-Term Income Fund (JMD) or the Scotia Premium Short-Term Income Fund (USD).

#### **H. EXCHANGES OF UNITS**

A Unit Holder holding Units in one Fund, or one Portfolio of a Fund, may exchange such Units for Units in the other Fund(s), or in another Portfolio of the Fund or other Fund(s), described within this Offering Circular. No exchanges will be allowed between Funds or classes denominated in different currencies, or between different classes of the same Fund. The exchange shall take place as redemption of the Units held and applying the redemption proceeds to subscribe for Units in the other Fund. Administration charges and sales fees, as well as withholding taxes, may be charged on such transactions. The net amount, after deduction of the fees and taxes, if any, will be invested in the designated Fund(s).

### **4. BORROWING**

The Manager may borrow or pledge the Funds' assets temporarily subject to any statutory and regulatory requirements for the time being in force and to the terms and conditions set out in the respective Trust Deeds. This percentage is up to a maximum of 10% of the value of the Deposited Property for the Scotia Premium Growth Fund, the Scotia Investment Fund, and the Scotia Premium Fixed Income Fund. Any borrowing effected against any of the Funds, will be chargeable against the assets of that Fund. All borrowing shall be secured by the assets of the Fund as the Manager shall deem fit, and any interest or expenses incurred in effecting, maintaining and terminating such borrowing will be payable out of the Deposited Property.

Additionally, for the Scotia Premium Growth Fund, the Scotia Premium Fixed Income Fund, and the Scotia Investment Fund, the period of such borrowing shall not exceed 12 months.

The Trustee and the Manager shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liability, costs, claims, or demands which they or either of them may suffer arising directly or indirectly from the operation of any borrowing arrangements.

### **5. INVESTMENT OBJECTIVE OF THE FUNDS**

#### **A. SCOTIA INVESTMENT FUND**

The investment objective of the Scotia Investment Fund is to provide Unit Holders with the option of investing in a diversified pooled portfolio of investments. The Fund offers investors more diversification, liquidity and professional financial management which would not normally be available to participants as individuals. The Fund seeks to achieve its investment objective through investments in a range of securities including, stocks and shares, bonds and debt instruments, money market securities, other debt instruments and other securities as defined by the Securities Act and Securities (Amendment) Act, through the various portfolios and/or class or classes of portfolios it may offer.

### Scotia Premium Money Market Fund

**(i) INVESTMENT OBJECTIVES**

The Scotia Premium Money Market Fund is a fixed income portfolio denominated in Jamaican dollars. The investment objective of this portfolio is to provide Unit Holders with quarterly income, liquidity and preservation of capital.

**(ii) INVESTMENT STRATEGIES**

The portfolio will consist primarily of Jamaican dollar investments not limited to: Government of Jamaica bonds and other government debt obligations, such as Bank of Jamaica debt obligations; money market instruments; short term corporate bonds and corporate debt obligations; Jamaican dollar deposits with licensed financial institutions; securitised mortgages and other securitised debt instruments; other short term debt instruments; unit trusts; and money market mutual funds listed on any recognised stock exchange. Except for certain securities that are issued or backed by specified governments, the Manager may not purchase a security or an asset of an issuer if more than ten per cent (10%) of the net assets of the Fund, taken at market value at the time of transaction, would be invested in the securities of that issuer.

**(iii) WHO SHOULD INVEST IN THIS FUND?**

This portfolio may be suitable for you if:

- a) you require quarterly income distributions;
- b) you want daily liquidity;
- c) you are interested in preservation of capital;
- d) you are investing for the short term; and
- e) you can accept low risk.

### Scotia Premium US Dollar Indexed Fund

**(i) INVESTMENT OBJECTIVES**

The Scotia Premium US Dollar Indexed Fund is a United States Dollar indexed fixed income portfolio denominated in Jamaican dollars. The investment objective of this portfolio is to maximize total Jamaican dollar return to Unit Holders by primarily investing in a diversified mix of United States Dollar denominated fixed income instruments.

**(ii) INVESTMENT STRATEGIES**

The portfolio will invest primarily in United States dollar (**US dollar** or **USD**) denominated fixed income assets not limited to: Government of Jamaica (GOJ) local and external issued US dollar denominated bonds; US dollar denominated Bank of Jamaica (BOJ) securities; US dollar denominated corporate bonds; and Non-Jamaican sovereign bonds. Except for certain securities that are issued or backed by specified governments, the Manager may not purchase a security or an asset of an issuer if more than ten per cent (10%) of the net assets of the Fund,

taken at market value at the time of transaction, would be invested in the securities of that issuer.

**(iii) WHO SHOULD INVEST IN THIS FUND?**

This portfolio may be suitable for you if:

- a) you want exposure to a diversified mix of fixed income instruments with USD exposure;
- b) your portfolio requires exposure to “*income*” classification;
- c) you are investing for the medium term; and
- d) you can accept moderate risk.

**Scotia Premium Short-Term Income Fund (JMD)**

**(i) INVESTMENT OBJECTIVES**

The Scotia Premium Short-Term Income Fund (JMD) is a fixed income portfolio denominated in Jamaican dollars. The investment objective of this portfolio is to provide Unit Holders with quarterly income and daily liquidity.

**(ii) INVESTMENT STRATEGIES**

The portfolio will consist primarily of Jamaican dollar investments not limited to: Government of Jamaica bonds and other government debt obligations, such as Bank of Jamaica debt obligations; money market instruments; short term corporate bonds and corporate debt obligations; Jamaican dollar deposits with licensed financial institutions; securitised mortgages and other securitised debt instruments; other short-term debt instruments; unit trusts; and money market mutual funds. Except for certain securities that are issued or backed by specified governments, the Manager may not purchase a security or an asset of an issuer if more than ten per cent (10%) of the net assets of the Fund, taken at market value at the time of transaction, would be invested in the securities of that issuer.

**(iii) WHO SHOULD INVEST IN THIS FUND?**

This portfolio may be suitable for you if:

- a) you want exposure to a diversified mix of fixed income instruments with Jamaican dollar exposure;
- b) you require quarterly income distributions;
- c) you want daily liquidity;
- d) you are investing for the short term; and
- e) you can accept low risk.

### **Scotia Premium Short-Term Income Fund (USD)**

**(i) INVESTMENT OBJECTIVES**

The Scotia Premium Short-Term Income Fund (USD) is a fixed income portfolio denominated in US dollars. The investment objective of this portfolio is to provide Unit Holders with quarterly income and daily liquidity.

**(ii) INVESTMENT STRATEGIES**

The portfolio will invest primarily in US dollar denominated fixed income assets not limited to: Government of Jamaica (GOJ) local and external issued US dollar denominated bonds; US dollar denominated Bank of Jamaica (BOJ) securities; US dollar denominated corporate bonds; and Non-Jamaican sovereign bonds. Except for certain securities that are issued or backed by specified governments, the Manager may not purchase a security or an asset of an issuer if more than ten per cent (10%) of the net assets of the Fund, taken at market value at the time of transaction, would be invested in the securities of that issuer.

**(iii) WHO SHOULD INVEST IN THIS FUND?**

This portfolio may be suitable for you if:

- a) you want exposure to a diversified mix of fixed income instruments with USD exposure;
- b) you require quarterly income distributions;
- c) you want daily liquidity;
- d) you are investing for the short term; and
- e) you can accept low risk.

**B. Scotia Premium Growth Fund**

**Investment Objectives**

The investment objective of the Scotia Premium Growth Fund is one of growth and diversification.

**(i) INVESTMENT STRATEGIES**

The Fund may invest in securities (as defined in the Securities Act), stocks and shares of a variety of enterprises, real estate, money market instruments, or other instruments, including instruments other than Securities (as defined in the Securities Act). These may be from any economic or geographic area not limited to Jamaica in which the Manager may see fit, to allow a balanced portfolio of investments expected to provide investors with attractive long-term returns with a medium to higher level of risk. The Manager may not purchase a security or asset of an issuer if more than ten per cent (10%) of the net assets of the Fund, taken at market value at the time of transaction, would be invested in the securities of that issuer, subject to any statutory and regulatory requirements for the time being in force and to the terms and conditions set out in the Trust Deed.

**(ii) WHO SHOULD INVEST IN THIS FUND?**

This Fund may be suitable for you if:

- a) you want an exposure to a diversified portfolio of equities and fixed income instruments;
- b) your portfolio requires exposure to “*growth*” classification;
- c) you are interested in capital appreciation;
- d) you are investing for the medium to long term;
- e) you can accept medium to high risk.

**C. Scotia Premium Fixed Income Fund**

**(i) INVESTMENT OBJECTIVES**

The investment objective of the Scotia Premium Fixed Income Fund is to seek current income while maintaining liquidity and aiming to have minimal fluctuations in capital by investing in a diversified mix of short to medium term fixed income instruments.

**(ii) INVESTMENT STRATEGIES**

The Fund may invest in instruments, including instruments other than Securities (as defined in the Securities Act), from any economic or geographic area not limited to Jamaica in which the Manager may see fit. These instruments may include derivatives and other structured products (such as swaps, forwards, credit linked notes and shares in mutual funds) provided that these instruments shall not exceed 10% of the value of the Deposited Property.

Not less than 5% in value of the Deposited Property shall consist of instruments or deposits which are repayable within 365 days beginning with the date upon which they become part of the Deposited Property or which are made on terms on which repayment may be demanded within the period unconditionally and without penalty.

**(iii) WHO SHOULD INVEST IN THIS FUND?**

This Fund may be suitable for you if:

- a) you want exposure to a diversified portfolio of fixed income instruments with limited movement in capital;
- b) your portfolio requires exposure to “*income*” classification;
- c) you are investing for the short to medium term;
- d) you can accept low to medium risk.

**D. DISTRIBUTION POLICY**

A percentage or all of the net income received by the Scotia Premium Money Market Fund, the Scotia Premium US Dollar Indexed Fund, the Scotia Premium Short-Term Income Fund

(JMD) and the Scotia Premium Short-Term Income Fund (USD) is expected to be allocated and distributed on a calendar quarter basis on a business day set at the discretion of the Manager. These distributions are not guaranteed and may change at any time at the Manager's discretion. Net Income paid out to Unit Holders is to be accrued daily and distributed quarterly.

The net income received by the Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund may, according to the discretion of the Manager, in consultation with the Trustee, be allocated and distributed to Unit Holders on a Business Day set at the discretion of the Manager.

All distributions will, in the absence of written instructions from the Unit Holder to the contrary, be reinvested in additional Units of the Fund, or Portfolio as may be applicable, at the NAVPU of such Units calculated on the date of distribution. Distributions will be paid in accordance with the currency of the particular Fund or portfolio of a Fund.

#### E. GENERAL

With respect to all the Funds, the Manager is not prevented from investing the assets of the Funds in other unit trust schemes managed by the Manager or an associate of the Manager or other securities issued by a related party of the Manager. However, such investments are subject to the limits set out above. In addition, no more than fifteen percent (15%) of the scheme's net assets may be invested in illiquid assets.

The Manager will always aim to maintain the restrictions outlined above. However, should the limits be exceeded, the Manager may not acquire any further assets of that particular class of assets whilst the relevant limits of the particular class of assets are exceeded.

### 6. SCOTIA PORTFOLIOS (FORMERLY ASSET MANAGEMENT SERVICE (AMS))

Scotia Investments Jamaica Limited ("SIJL"), a licensed securities dealer and investment advisor, offers a set of model portfolios to Unit Holders. The Scotia Portfolios offer Unit Holders five (5) professionally designed model portfolios to meet specific long-term investment objectives. Each model is constructed by using a combination of Funds of any of the three main asset classes; cash and cash equivalents, fixed income, and growth. Funds within each asset class will be assigned a prescribed weighting within each model. The prescribed weightings for the Funds for each model are determined by SIJL and may be changed from time to time without notification to subscribers of the model. A subscriber electing to open a Scotia Portfolio account is authorizing SIJL as its agent to subscribe and redeem Units of any of the Funds as, and when, SIJL deems appropriate to maintain the model selected by the subscriber.

A subscriber to the Scotia Portfolios may request an account to be managed by SIJL in accordance with a specific model portfolio. The Scotia Portfolios' names, primary objectives, risk characteristics and potential portfolio volatility are as follows:

**Conservative Income** – The primary objective is to earn a modest income. Holders of this model are willing to accept modest returns in exchange for greater security and accept that the value of their portfolio will fluctuate modestly from time to time.

**Income & Conservative Growth** – The primary objective is a high level of income with some growth potential. Holders of this model accept that the value of their portfolio will fluctuate modestly from time to time.

**Balanced Income & Growth** – The primary objective is growth with some income. Holders of this model accept that the value of their portfolio will fluctuate moderately from time to time.

**Moderate Growth** – The primary objective is to achieve a high level of growth with some income potential. Holders of this model accept that the total value of their portfolio will fluctuate considerably from time to time.

**Aggressive Growth** – The primary objective is to achieve the maximum potential growth over the long term. Holders of this model accept that the total value of their portfolio will fluctuate extremely from time to time.

When a model is selected for a Scotia Portfolio account, all subsequent Scotia Portfolio purchases and redemptions will be allocated based on the prescribed weightings for the selected model.

On the 20<sup>th</sup> day of December each year (or the next available Dealing Day if the 20<sup>th</sup> is not a Dealing Day), the Scotia Portfolio accounts will be electronically reviewed to determine if any of the Funds that constitute the assigned model have deviated from their prescribed weighting. In the event that any of the Funds has deviated, holdings of Units will be rebalanced to the prescribed Fund weightings of the assigned model, resulting in an appropriate exchange of Units. Individual holdings of Units in Funds are exchanged to restore the Scotia Portfolio account to the assigned model's specifications. Commission charges, withholding taxes and other fees or charges, if applicable, may be charged on these transactions.

The minimum initial investment in a Scotia Portfolio account is JA\$450,000.00 or such other amounts as may be prescribed from time to time by SIJL. All subsequent investments, including Pre-Authorized Contributions (PAC), in a Scotia Portfolio account are subject to a minimum of JA\$10,000.00 which will be allocated to the individual Funds within the model portfolio selected by the subscriber.

The annual fee for each Scotia Portfolio account is 0.1% (with a minimum of JA\$2,250 and a maximum of JA\$9,000) of the market value of the Scotia Portfolio account three days prior to the last Rebalancing Day of each calendar year. The calculated annual fee is deducted directly from each Scotia Portfolio account and paid to SIJL. SIJL reserves the right to suspend or cancel this service at any time without notice, and reserves the right to waive or change the Scotia Portfolio account annual fee, with notice to existing clients of the service, at any time at its own discretion.

## 7. FEES & EXPENSES

### A. FEES AND EXPENSES PAID DIRECTLY BY THE FUND

The Manager will receive a management fee out of the assets of the Funds not exceeding 1.5% per annum of the Net Asset Value of Funds under management for Class A Units, and the said amount shall be calculated daily and paid monthly in arrears.

No management fees are charged by the Manager to the Funds on Class I Units of the Funds. Instead, Class I Unit Holders negotiate a separate fee that is paid directly to the Manager.

Each Fund pays certain operating expenses out of the assets of the Fund, including legal fees, taxes, the cost of Unit Holder communications, audit fees, registration fees and registrar and transfer agent fees. Each Class of a Fund is responsible for its proportionate share of common Fund expenses.

The Trustee's remuneration shall be as agreed from time to time by the Manager and the Trustee and is payable out of the assets of the Funds. The remuneration may be fixed or based on a percentage of the Deposited Property. The Trustee is also entitled to be repaid all its disbursements out of the assets of the Funds wholly and exclusively incurred in the performance of its duties.

International Financial Data Services, L.P. is the Registrar and Transfer Agent of the portfolios of the Scotia Investment Fund, the Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund. The fees of International Financial Data Services, L.P. in their capacity as Registrar and Transfer Agent are payable out of the assets of the Funds along with expenses incurred in the performance of its duties as Registrar and Transfer Agent.

IFS is the Sub-Administrator of the Scotia Premium Money Market Fund, Scotia Premium US Dollar Indexed Fund, Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund performing certain fund accounting and administrative services. Its fees in its capacity as sub-administrator for the Scotia Premium Money Market Fund, Scotia Premium US Dollar Indexed Fund, Scotia Premium Growth Fund and the Scotia Premium Fixed Income Fund are payable by the Manager along with expenses incurred in the performance of its duties as Sub-Administrator.

SSFS is the Sub-Administrator of the Scotia Premium Short-Term Income Fund (USD) and Scotia Premium Short-Term Income Fund (JMD) performing certain fund accounting and administrative services. Its fees in its capacity as sub-administrator for the Scotia Premium Short-Term Income Fund (USD) and Scotia Premium Short-Term Income Fund (JMD) are payable by the Manager along with expenses incurred in the performance of its duties as Sub-Administrator.

In respect of the Scotia Investment Fund, the respective Sub-Administrator fees are payable out of the assets of the four (4) portfolios of the Fund along with expenses incurred in the performance of its duties by IFS and SSFS as Sub-Administrators.

## **B. FEES AND EXPENSES PAYABLE DIRECTLY BY UNIT HOLDERS**

### **(i) SALES CHARGE**

Unit Holders in the Scotia Premium Money Market Fund, the Scotia Premium Short-Term Income Fund (JMD) and the Scotia Premium Short-Term Income Fund (USD) do not pay an initial sales charge. Unit Holders in the Scotia Premium Fixed Income Fund, Scotia Premium US Dollar Indexed Fund and the Scotia Premium Growth Fund may be required to pay, as a commission to the authorized distributor of the Funds, an initial sales charge of up to 8% of the total amount paid for the Units they purchase. Unit Holders are at liberty to negotiate this charge with the authorized distributor. The net subscription amount, after deduction of the initial sales charge, if any, will be invested in the designated fund if, and only if, the subscription order is accepted.

### **(ii) EARLY ENCASHMENT FEES**

With the exception of the Scotia Premium Money Market Fund, the Scotia Premium Short-Term Income Fund (JMD and USD), the Manager reserves the right to apply an early encashment fee of up to 4% if the value of Units that are redeemed within the minimum holding period (*see "Minimum Holding Period" above for more information*).

Any increase or charge in the fees outlined above will be subject to the Manager providing written notice, by publication on the website of Scotia Investments or by mail. Such notice should be published at least one (1) month prior to the effective date of the increase.



## 8. PRICE MOVEMENTS IN THE FUNDS

A benefit of investing in the Funds is that the investor has the opportunity to participate in a pooled investment managed by a team of competent and professional financial experts. Notwithstanding that mentioned above, the investor must be aware that there will always be price fluctuations in the assets held in the Funds. As such, the past performance of the Funds is not a guarantee of future performance. As a consequence, there is no guarantee that the Unit price will always move upwards.

The Funds own different types of investments, depending on their investment objectives. The value of these investments may change from day to day, reflecting changes in interest rates, economic conditions and company news. As a result of these changes, the value of a Fund's securities may go up or down and the value of your investment in the Fund, when you redeem it, may be more or less than when you purchased it. The full amount of your investment is not guaranteed.

### PAST PERFORMANCE

#### A. SCOTIA PREMIUM MONEY MARKET FUND

The annual total returns, net of expenses including fees paid directly by the Fund, for the Class A Units of the Scotia Premium Money Market Fund for the last 5 years are:

Years		2017	2018	2019	2020	2021
Annual Returns	Total	3.24%	1.95%	1.11%	1.09%	1.10%

#### B. SCOTIA PREMIUM US DOLLAR INDEXED FUND

The annual total return, net of expenses including fees paid directly by the Fund, for the Class A Units of the US Dollar Indexed Fund for the last 5 years was:

Year		2017	2018	2019	2020	2021
Annual Return	Total	2.78%	2.76%	11.96%	8.82%	7.15%

#### C. SCOTIA PREMIUM GROWTH FUND

The annual total returns, net of expenses including fees paid directly by the Fund, for the Class A Units of the Scotia Premium Growth Fund for the last 5 years are:

Years		2017	2018	2019	2020	2021
Annual Returns	Total	38.33%	13.83%	28.56%	-20.72%	10.80%

#### D. SCOTIA PREMIUM FIXED INCOME FUND

The annual total returns, net of expenses including fees, paid directly by the Fund, for the Class A Units of the Scotia Premium Fixed Income Fund for the last 5 years are:

Years		2017	2018	2019	2020	2021
Annual Returns	Total	7.34%	8.83%	5.07%	4.02%	1.76%

Past performance of these Funds should not be taken as an indication of future performance.

## 9. TAXATION

### A. GENERAL

The income received by the Trustee of these Funds is exempt from Income Tax under the Income Tax Act. However, any income distributions made to the Unit Holder are generally subject to withholding tax of 25% including for those investors holding withholding tax exemption certificates. It shall be the responsibility of those individuals and corporations holding such certificates to claim directly on the Relevant Tax Authorities in Jamaica for a refund of applicable withholding taxes.

The Manager may, in its discretion, choose not to distribute income earned by the Funds and reinvest it. Currently there is no distribution of income to Unit holders who invest in the Scotia Premium Fixed Income Fund and the Scotia Premium Growth Fund.

Unit Holders may seek to take advantage of section 12(ak) of the Income Tax Act of Jamaica which applies to money market funds where at least 51% of the value of the financial assets of the Fund is comprised of interest-bearing instruments. The section states that there shall be exempt from income tax:

*“accretions realized on the encashment, disposal or redemption of units in a money market fund (within the meaning of section 31A) operated by a qualified unit trust scheme, which have been acquired on or after the 1<sup>st</sup> June, 1999 where the following conditions apply–*

- (i) the units are to be held by individuals for a period of not less than 5 years;*
- (ii) the units are not transferable except on the death or bankruptcy of the investor;*
- (iii) not more than 75 per cent of the accretions realized in any year have been paid out;*
- (iv) the amount invested in the acquisition of any such units in any year does not exceed one million dollars;*

*and for the purposes of this paragraph the valuation of a money market fund shall be determined on the basis of its average monthly value during the prior 3-month period.”*

The above summarizes the tax position of the Funds as at the date of this Offering Circular, as it is understood by the Board of Directors of the Manager and of the Trustee. The said Boards of Directors do not guarantee the correctness of the above summary, and shall not be liable in the event that any aspect of it is or becomes incorrect, incomplete or otherwise inaccurate.

This section is not exhaustive and each Unit Holder’s situation may be different. **Unit Holders should consult a tax advisor about their situation.**

Unit Holders resident for tax purpose outside Jamaica should seek also advice in the jurisdiction where they are resident, as to tax treatment in that jurisdiction of an investment in the Scotia Investment Fund, Scotia Premium Growth Fund or the Scotia Premium Fixed Income Fund.

### B. US TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

Generally, the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or “**FATCA**”) impose a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States (such as interest and dividends), (ii) gross proceeds from the sale or disposition of property that can produce US source interest or dividends, (iii) “foreign passthru payments” made to certain non-US financial institutions that do not comply with this new reporting

regime, and (iv) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-US financial institution. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2019 in the case of gross proceeds).

Each Fund is classified as a foreign financial institution for purposes of FATCA. If an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to a Fund or from payments made to investors, neither the Fund nor any other person would be required to pay additional amounts as a result of the deduction or withholding. In order to avoid withholding tax attributable to FATCA, the Funds will likely need to provide the US Internal Revenue Service or other applicable taxing authority with certain information in respect of its investors and (where applicable) their beneficial owners. Investors who do not provide required information may also be subject to a 30% withholding tax. In addition, if an investor does not provide the information necessary for the Funds to comply with these requirements, the Funds may redeem the securities held by such investor.

There is a signed intergovernmental agreement between the U.S. and Jamaica (the "Jamaica-US IGA"). As a result of the signed IGA, it is possible that the administrative costs arising from compliance with FATCA and/or the Jamaica-US IGA as well as future guidance may also cause an increase in the operating expenses of the Funds.

**FATCA is particularly complex and its application to US withholding tax is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements that are in place, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisors on how these rules may apply to the Funds and to payments they may receive from the Funds.**

## 10. TRANSFER OF UNITS

### A. TRANSFER OF UNITS

Unit Holders are entitled to transfer any Units held by them by making a request in such form as the Manager may from time to time prescribe. The Manager reserves the right to decline a transfer if the transfer would result in either the transferor or the transferee holding less than the Minimum Holding of JA\$100,000.00 for the Scotia Premium Money Market Fund, the Scotia Premium US Dollar Indexed Fund, and the Scotia Premium Short-Term Income Funds (JMD), US\$1,000.00 for Class A Units in the Scotia Premium Short-Term Income Funds (USD), 200 Units for the Scotia Premium Growth Fund or 1,000 Units for the Scotia Premium Fixed Income Fund.

A corporate body may be registered as a Unit Holder or as a joint Unit Holder. When encashing Units, the seal and authorizing signatures of the body corporate will be required on all documents.

The Manager shall upon transferring Units inform the Trustee and the Registrar of such transfers and the Trustee and the Registrar shall update the corresponding Register. The Manager shall provide the Trustee and the Registrar with such evidence as the Trustee and the Registrar may require to prove the title of the transferor or his right to transfer the Units.

#### (i) DEATH OR BANKRUPTCY OF UNIT HOLDERS

Any person becoming entitled to Units in consequence of the death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may upon producing such evidence as to his title, as the Manager thinks sufficient, either register himself as the Unit Holder of such Units upon giving to the Manager notice in writing of that

desire or transfer such Units to some other person. All limitations, restrictions and provisions of the Trust Deed relating to transfers will be applicable to any such notice or transfer.

(ii) **KEEPING OF REGISTER**

The Manager shall be responsible for the keeping and maintenance of a Register of all the Unit Holders under the Funds; however, it may delegate its responsibility as it deems fit. The Register shall contain the name and address of each Unit Holder, the number of Units held with the corresponding transaction reference numbers assigned to any such confirmation of transaction note(s) confirming the acquisition and number of Units held by the respective Unit Holder(s) either as a joint account or otherwise and the date on which the Unit Holder(s) acquires ownership of the said Units and any subsequent changes thereto.

## 11. RISK FACTORS ASSOCIATED WITH THE FUNDS

Risk is often measured by volatility or the extent of which the NAV of a Fund fluctuates. The Fund's NAVPU can change from day to day for many reasons, including changes in the economy, interest rate and market news affecting a particular company or industry sector, which the Fund may be invested in. The degree of risk depends on the Fund's investment objectives.

Below are some of the main risk factors which may be associated with investing in the Funds; a prudent investor should consider his or her own risk tolerance and financial circumstances before making any investment decisions and thereafter choose whether the Funds or the Portfolios are suitable to his or her investment profile.

- a) **General Market Risk** – the Funds will be exposed to general trends and tendencies on the markets, which can be based on various external and often uncontrollable factors.
- b) **Credit Risk** – the price of the securities and money market instruments directly or indirectly held by the Funds is dependent on factors specific to the issuers. There may be unforeseen credit events related to an issuer that may result in the decline in the value of the securities or the securities becoming worthless.
- c) **Liquidity Risk** – the risk that arises from the difficulty of selling an asset. An investment may sometimes need to be sold quickly. Unfortunately, an inactive secondary market may prevent the liquidation or limit the funds that can be generated from the asset. If an asset is not liquid, a market for its sale may not exist at the time sale of the same is required.
- d) **Inflation Risk** – the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of gains and or interest income earned on an investment in the Funds.
- e) **Key Personnel Risk** – the success of a Fund which performs positively over a certain period of time is partly due to the aptitude of management and investment decision-making team. Nonetheless, the Fund's management team may change, which may have an adverse effect on the unit trust's performance.

## 12. TERMINATION OF THE FUNDS

### A. SCOTIA INVESTMENT FUND

The Fund or a Portfolio of the Fund may be terminated by an extraordinary resolution passed by at least seventy-five percent (75%) of the votes cast, in person or by proxy, at a meeting of the Unit Holders in accordance with the Trust Deed.

The Fund or a Portfolio of the Fund may also be terminated upon the happening of the first of the following events:

- a) if the Trustee gives notice to the Manager of its desire, in the interest of the Unit Holders, to change the Manager and a new Manager is not appointed within one year;
- b) if it becomes illegal or, in the Manager's opinion, impracticable, inadvisable or contrary to the interests of the Unit Holders to continue the Fund;
- c) if the Portfolio in the Trustee's opinion becomes or is about to become insolvent thereby prejudicing the Value of the Units in other Portfolios
- d) if a new Trustee or the Manager is not appointed within 180 days of notice of the retirement of the Trustee or the Manager; or
- e) if the Trustee or the Manager goes into compulsory or voluntary liquidation (except for the purposes of amalgamation or reconstruction) and a new Trustee or Manager is not appointed within 30 days after the start of the liquidation.

### B. SCOTIA PREMIUM GROWTH FUND & SCOTIA PREMIUM FIXED INCOME FUND

A Fund or a Portfolio can be terminated:

- a) by Unit Holders by the passing of an extraordinary resolution at a meeting held in accordance with the Trust Deed;
- b) by the Manager in its absolute discretion if:
  - (i) the aggregate value of the Deposited Property is less than \$1 million; or
  - (ii) any law is passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund;
- c) by the Trustee if:
  - (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee);
  - (ii) in the opinion of the Trustee, the Manager is incapable of performing or in fact fails to perform its duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Unit Holders;
  - (iii) any law shall be passed which renders them illegal or where their registration has been cancelled under any statutory provision and the

Trustee has been so notified or where in the opinion of the Trustee impracticable or inadvisable to continue the Trust; or

- (iv) the Trustee notifies the Manager in writing that the Trustee desires to retire and a new trustee has not been appointed within six (6) months of the receipt by the Manager of such notification
- d) by the Trustee or the Manager in their absolute discretion by not less than one (1) year's notice to expire:
- (i) at the end of the Accounting Period of 1997 or any 15<sup>th</sup> year thereafter (Scotia Premium Growth Fund); or
  - (ii) at the end of the Accounting Period of 2003 or any 15<sup>th</sup> year thereafter (Scotia Premium Fixed Income Fund).

The Unit Holders will receive notice of the termination of the Funds.

#### **Effects of Termination of the Funds**

Upon termination of a Fund, or a Portfolio of a Fund as may be applicable, the Trustee or (as the case may be) the Manager shall:

- a) realise all the Investments comprised in the Portfolio or Deposited Property. The realisation shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee or the Manager (as the case may be) in their absolute discretion think advisable;
- b) distribute to the Unit Holders in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the redemption of the Deposited Property and available for the purposes of such distribution. The Trustee shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay such sum as the Manager may decide, in consultation with the Trustee in respect of each Unit. The Trustee is entitled to retain all monies sufficient to meet all costs, charges, expenses, claims and demands incurred arising out of the liquidation of a Fund or a Portfolio of a Fund.

### **13. SUSPENSION OF VALUATION**

The Manager of the Funds may at any time suspend the Net Asset Value (NAV) calculation in accordance with the respective Fund's Trust Deed. During the suspension of the valuation the purchase, redemption, exchange and transfer of Units will also be suspended.

### **14. FINANCIAL INFORMATION ABOUT THE FUNDS**

#### **A. FINANCIAL STATEMENTS**

Audited Financial Statements of the Funds shall be prepared by the Auditor of the Funds as at the accounting date established by the Manager and the statements relating to each accounting period established by the Manager with the Auditors' Report attached, shall be filed with the Trustee and shall be conclusive and binding upon all concerned. A fee for auditing services will also be payable out of the assets of the Fund.

Unit Holders may inspect the said statements or obtain a copy of same at the offices of the Manager during the hours of 9:00 a.m. to 3:00 p.m., Monday to Friday. The said audited Financial Statements are also available for viewing at: <https://jm.scotiabank.com/scotia-investments.html>.

These Financial statements will be prepared as at the Funds' Financial year ended October 31 each year.

#### B. QUARTERLY REPORTING

Quarterly unaudited Financial Statements for each fund will be available to Unit Holders within 45 days of the quarter end. The said Financial Statements are also available for viewing at: <https://jm.scotiabank.com/scotia-investments.html>.

### 15. STATEMENT TO UNIT HOLDERS

Each Unit Holder will be sent a quarterly statement showing the number of Units and the NAV of their holding in each Fund. These statements will be sent to you at the address in the Manager's register.

### 16. CONFLICTS OF INTEREST

The Manager, its holding company, holding company's shareholders, any subsidiaries of its holding company and any of their directors, officers, employees, agents and affiliates ("**Interested Parties**") may be involved in other financial, investment or other professional activities which may, on occasion, cause conflicts of interest with the Funds. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and, serving as directors, officers, advisors, or agents of other funds or other companies. In particular, it is envisaged that the Manager may be involved in advising other investment funds or individual clients which may have similar or overlapping investment objectives to or with the Funds. The Manager may provide services to third parties similar to those provided to the Funds and shall not be liable to account for any profit earned from any such services. Where a conflict arises, the Manager will exercise its best efforts to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Funds, the Manager may be faced with conflicts of interest with regard to such duties, but will ensure that investment opportunities in those circumstances will be allocated fairly.

The Manager, and/or any company associated with it, may enter into portfolio transactions for or with the Funds either as agent, in which case they may receive and retain customary brokerage commissions, market, currency and interest rate spreads including with respect to bond and foreign exchange transactions, and/or cash commission rebates, or with the approval of the Trustee, deal as a principal with the Fund in accordance with normal market practice subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

### 17. PURCHASE OF UNITS BY INELIGIBLE INVESTORS

This Offering Circular does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation would be unlawful.

The offering of the Units is directed solely into Jamaica to residents of Jamaica in accordance with the laws and customary practices and documentation of Jamaica.

The Units of the Funds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**1933 Securities Act**") or under the securities laws of any State of the United States of America (the "**United States**"), and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as such term is defined in Regulation S under the 1933 Securities Act). By

subscribing for Units, subscribers will be deemed to have declared that they are not a U.S. person and are not subscribing for Units for the account or benefit of any U.S. person. No Fund has been or will be registered as an “*investment company*” with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940, as amended.

The Units of the Funds will not be offered, sold, or delivered, directly or indirectly, in Canada, or to, or for the benefit of, any resident thereof, in contravention of the securities laws of Canada or any Province or Territory thereof. By subscribing for Units, subscribers will be deemed to have declared that they are not a resident of Canada and are not subscribing for Units on behalf of any resident of Canada.

## 18. DOCUMENTS FOR INSPECTION

Important information is provided in the financial statements and other disclosure documents of the Funds. These documents include but are not limited to this Offering Circular, Trust Deed and other Agreements.

Copies of the following documents are available for viewing from the Manager and may be inspected at the offices of the Manager or the Trustee between the hours of 9:00 a.m. and 3:00 p.m., Mondays to Fridays, except on public holidays.

- a) The Trust Deeds
- b) The most recent Offering Circular
- c) The most recent audited financial statements
- d) The Agreements appointing the Manager, Distributor, Trustee and Custodian and other listed agents.

## 19. GENERAL INFORMATION

Pursuant to the Trust Deeds of the Funds the Manager and the Trustee may from time to time delegate functions and responsibilities to agents and advisors who will act on behalf of the Funds.

The operator and the Manager of the Funds accept full responsibility for the accuracy of the information contained in the scheme’s offering documents and hereby confirm that, having made all reasonable enquiries, there are, to the best of their knowledge and belief, no other facts the omission of which would make any information or statement in an offering document misleading.

**Important** – if you are in any doubt about the contents of this document, you should seek independent financial advice.



## 20. PORTFOLIO OF INVESTMENTS

Statements of securities held by the Trustee as per the unaudited accounts for the Scotia Investment Fund, the Scotia Premium Fixed Income Fund and the Scotia Premium Growth Fund are as below. A statement of the portfolio of investments of the Funds will be provided to Unit Holders upon their request.

### THE SCOTIA INVESTMENT FUND PORTFOLIO AS AT MAY 31, 2022

#### SCOTIA PREMIUM MONEY MARKET FUND PORTFOLIO AS AT MAY 31, 2022

Fixed Income Securities	Valuation (J\$)	% of Portfolio	% of Fund
BOJ CD	199,609,838	1.16%	0.83%
Corporate Bonds FR	1,654,254,722	9.60%	6.85%
Corporate Bonds VR	960,000,000	5.57%	3.98%
GOJ Treasury Bill	104,651,885	0.61%	0.43%
Investment Notes FR	268,364,279	1.56%	1.11%
Investment Notes VR	6,264,192,004	36.36%	25.94%
Repurchase Agreement	2,288,401,227	13.28%	9.48%
Term Deposit	4,920,539,439	28.56%	20.37%
USD Global Bond	15,691,543	0.09%	0.06%
<b>Sub - Total Fixed Inc Securities</b>	<b>16,675,704,937</b>	<b>96.80%</b>	<b>69.05%</b>
Cash & Other Assets Less Liabilities			
Cash	440,624,565	2.56%	1.82%
Other Assets	111,450,551	0.65%	0.46%
Liabilities	0	0.00%	0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>	<b>552,075,116</b>	<b>3.20%</b>	<b>2.29%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>	<b>17,227,780,052</b>	<b>100.00%</b>	<b>71.34%</b>

#### SCOTIA PREMIUM US DOLLAR INDEXED FUND PORTFOLIO AS AT MAY 31, 2022

Fixed Income Securities	Valuation (J\$)	% of Portfolio	% of Fund
BOJ CD	21,654,609	0.57%	0.09%
Corporate Bonds FR	164,679,536	4.32%	0.68%
Corporate Indexed Bond	204,630,748	5.36%	0.85%
Indexed Bond	18,035,028	0.47%	0.07%
Investment Notes FR	8,982,763	0.24%	0.04%
Repurchase Agreement	959,586,963	25.14%	3.97%
Term Deposit	167,867,486	4.40%	0.70%

USD Corporate Bond	362,670,051	9.50%	1.50%
USD Global Bond	1,859,775,382	48.73%	7.70%
<b>Sub - Total Fixed Inc Securities</b>	<b>3,767,882,566</b>	<b>98.73%</b>	<b>15.60%</b>
<b>Cash &amp; Other Assets Less Liabilities</b>			
Cash	8,074,895	0.21%	0.03%
Other Assets	40,352,896	1.06%	0.17%
Liabilities		0.00%	0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>	<b>48,427,790</b>	<b>1.27%</b>	<b>0.20%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>	<b>3,816,310,356</b>	<b>100.00%</b>	<b>15.80%</b>

### SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD) PORTFOLIO AS AT MAY 31, 2022

Fixed Income Securities	Valuation (J\$)	% of Portfolio	% of Fund
Repurchase Agreement	488,516,995	72.89%	2.02%
Term Deposit	157,988,159	23.57%	0.65%
GOJ Treasury Bill	349,277	0.05%	0.00%
<b>Sub - Total Fixed Inc Securities</b>	<b>646,854,431</b>	<b>96.52%</b>	<b>2.68%</b>
<b>Cash &amp; Other Assets Less Liabilities</b>			
Cash	11,239,712	1.68%	0.05%
Other Assets	12,079,717	1.80%	0.05%
Liabilities	0	0.00%	0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>	<b>23,319,429</b>	<b>3.48%</b>	<b>0.10%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>	<b>670,173,860</b>	<b>100.00%</b>	<b>2.78%</b>

### SCOTIA PREMIUM SHORT-TERM INCOME FUND (USD) PORTFOLIO AS AT MAY 31, 2022

Fixed Income Securities	Valuation (J\$)	% of Portfolio	% of Fund
Repurchase Agreement	2,290,320,597	94.01%	9.48%
<b>Sub - Total Fixed Inc Securities</b>	<b>2,290,320,597</b>	<b>94.01%</b>	<b>9.48%</b>
<b>Cash &amp; Other Assets Less Liabilities</b>			
Cash	95,830,061	3.93%	0.40%
Other Assets	50,080,051	2.06%	0.21%
Liabilities	0	0.00%	0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>	<b>145,910,112</b>	<b>5.99%</b>	<b>0.60%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>	<b>2,436,230,709</b>	<b>100.00%</b>	<b>10.09%</b>

## SCOTIA PREMIUM FIXED INCOME FUND PORTFOLIO AS AT MAY 31, 2022

Fixed Income Securities	Valuation (J\$)	% of Portfolio
BOJ CD	5,754,372	0.03%
Corporate Bonds FR	2,466,974,987	11.20%
Corporate Bonds VR	778,264,407	3.53%
Corporate Indexed Bond	308,346,942	1.40%
GOJ Treasury Bill	32,347,659	0.15%
Indexed Bond	325,246,084	1.48%
Investment Notes FR	4,472,935,146	20.30%
Investment Notes VR	3,089,143,042	14.02%
Repurchase Agreement	3,024,914,580	13.73%
Term Deposit	3,916,140,583	17.77%
USD Corporate Bond	983,226,360	4.46%
USD Global Bond	2,223,989,938	10.09%
<b>Sub - Total Fixed Inc Securities</b>	<b>21,627,284,099</b>	<b>98.16%</b>
Cash & Other Assets Less Liabilities		
Cash	126,154,218	0.57%
Other Assets	278,343,533	1.26%
Liabilities	0	0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>	<b>404,497,751</b>	<b>1.84%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>	<b>22,031,781,850</b>	<b>100.00%</b>

## SCOTIA PREMIUM GROWTH FUND PORTFOLIO AS AT MAY 31, 2022

Equities	No. of Shares	Valuation at Bid price (\$)	% of Fund
CARIBBEAN CEMENT CO LTD	42,651	2,942,492	0.06%
CARRERAS LTD	30,956,980	293,472,170	5.54%
DERRIMON TRADING CO LTD	7,365,222	22,022,014	0.42%
ELITE DIAGNOSTIC LTD	628,767	2,093,794	0.04%
EPPLEY CARIBBEAN PROPERTY FUND	15,419	647,598	0.01%
FONTANA LTD	8,000,076	78,400,745	1.48%
GENERAL ACCIDENT INSURANCE	147,591	826,510	0.02%
GRACEKENNEDY LTD	1,913,131	212,261,884	4.01%
JAMAICA BROILERS GROUP LTD	6,562,176	187,678,234	3.54%
JAMAICA STOCK EXCHANG LTD	11,873,915	236,884,604	4.47%
JAMAICAN TEAS LTD	49,513,102	162,402,975	3.06%

JMMB GROUP LTD	10,822,926	503,266,059	9.50%
KINGSTON WHARVES LTD	4,134,345	152,970,765	2.89%
KNUTSFORD EXPRESS SERVICES L	7,128,000	58,806,000	1.11%
LASCO DISTRIBUTORS LTD	33,524,965	110,297,135	2.08%
LASCO MANUFACTURING LTD	19,320,277	100,465,440	1.90%
MAILPAC GROUP LTD	5,371,577	14,986,700	0.28%
NCB FINANCIAL GROUP LTD	2,690,495	283,981,747	5.36%
PANJAM INVESTMENT LTD	2,422,797	159,904,602	3.02%
PORTLAND JSX LTD	2,000,000	20,500,000	0.39%
SAGICOR GROUP JAMAICA LTD	8,216,947	476,418,587	8.99%
SAGICOR SELECT FUNDS LTD C	85,000,000	56,100,000	1.06%
SCOTIA GROUP JAMAICA	2,279,955	83,788,346	1.58%
SEPROD LTD	1,310,138	91,735,863	1.73%
SUPREME VENTURES LTD	12,190,000	353,510,000	6.67%
SYGNUS CREDIT INVESTMENTS LT	4,907,900	76,072,450	1.44%
TJH COMMON STOCK	708,836	964,017	0.02%
WISYNCO GROUP LTD	19,344,015	385,719,659	7.28%
<b>Sub-total Local Equities Only</b>		<b>4,129,120,391</b>	<b>77.92%</b>
<b>Overseas Equities</b>			
AMAZON.COM INC	205	75,802,329	1.43%
APPLE INC	370	8,467,649	0.16%
CITIGROUP INC	9,355	76,891,977	1.45%
COMCAST CORP CLASS A	1,070	7,289,953	0.14%
CONSUMER DISCRETIONARY SELECT	2,040	48,507,001	0.92%
FINANCIAL SELECT SECTOR SPDR F	1,566	8,546,461	0.16%
GILEAD SCIENCES INC	650	6,484,697	0.12%
HEALTH CARE SELECT SECTOR SPDR	130	2,644,884	0.05%
META PLATFORMS INC CLASS A	2,400	71,472,301	1.35%
MICROSOFT CORP	373	15,599,964	0.29%
VANGUARD COMMUNICATION SERVICE	570	9,062,221	0.17%
VANGUARD CONSUMER STAPLES ETF	200	5,895,711	0.11%
VANGUARD HEALTH CARE ETF	500	18,600,462	0.35%
VANGUARD S+P 500 ETF	3,200	186,939,488	3.53%
VISA INC CLASS A SHARES	815	26,589,413	0.50%
<b>Sub - Total Overseas Equities</b>		<b>568,794,510</b>	<b>10.73%</b>
<b>Sub - Total Equities</b>		<b>4,697,914,901</b>	<b>88.65%</b>

<b>Mutual Fund Investments</b>			
SCOTIA GLOBAL EQUITY FUND	293,608	62,941,826	1.19%
<b>Sub - Mutual Fund Investments</b>		<b>62,941,826</b>	<b>1.19%</b>
<b>Fixed Income Securities</b>			
Repurchase Agreement		211,058,504	3.98%
Term Deposit		185,660,474	3.50%
Corporate Bonds		79,464,169	1.50%
Corporate Indexed Bond		8,524,417	0.16%
Investment Notes		500	0.00%
<b>Sub - Total Fixed Inc Securities</b>		<b>484,708,064</b>	<b>9.15%</b>
<b>Cash &amp; Other Assets Less Liabilities</b>			
Cash		49,414,860	0.93%
Other Assets		4,155,113	0.08%
Liabilities			0.00%
<b>Sub - Total Cash &amp; Other Assets Less Liabilities</b>		<b>53,569,973</b>	<b>1.01%</b>
<b>TOTAL VALUE OF DEPOSITED PROPERTY</b>		<b>5,299,134,764</b>	<b>100.00%</b>

The assets in the investment portfolios are carried at fair value or amortised cost.