

# Transfer of Scotiabank Short-Term Income Fund into Scotia Money Market Fund

DATED February 28, 2020

## NOTICE OF COMPULSORY REDEMPTION AND INTENTION TO DE-LIST

BY

SCOTIABANK SHORT-TERM INCOME FUND INC.

IN RESPECT OF ITS

CLASS A AND CLASS NU REDEEMABLE PARTICIPATING SHARES

Dear Valued Client,

We write to inform you that Scotiabank Short-Term Income Fund Inc. will transfer into Scotia Money Market Fund on March 30, 2020 (the "Effective Date").

This change will involve a compulsory redemption on the Effective Date (the "Compulsory Redemption") of all the outstanding issued redeemable participating shares of par value of US\$0.01 each in the capital of Scotiabank Short-Term Income Fund Inc. issued in its Class A and Class NU (the "Shares"), in accordance with the articles of association of Scotiabank Short-Term Income Fund Inc. (the "Articles") and the prospectus dated July 2016 relating to the investment shares of Scotiabank Short-Term Income Fund Inc. (the "Prospectus"). The Shares are being exchanged for redeemable preferred shares of par value of US\$0.01 each in the capital of Scotia Money Market Fund issued in its Class A Shares (the "New Shares") equal to the net asset value of the Shares as at the Effective Date (see table below for reference). The New Shares have been and will continue to be listed on the Cayman Islands Stock Exchange.

The Directors of Scotiabank Short-Term Income Fund Inc. are required to provide notice of the Compulsory Redemption of the Shares. On or immediately following the Effective Date (once completion of the Compulsory Redemption has occurred), Scotiabank Short-Term Income Fund Inc. intends to withdraw its listing on the Cayman Islands Stock Exchange.

Following funds will transfer:						Into the following funds:	
Fund	Class	ISIN	NAV as at Feb 21, 2020	Outstanding Shares	AUM as at Feb 21, 2020	Fund	Class
Scotiabank Short Term Income Fund Inc.	A	LCP8537Y1039	US\$9.6328	215,602	US\$2,076,838	Scotia Money Market Fund	A
Scotiabank Short Term Income Fund Inc.	NU	LCP8537Y1294	US\$9.4698	23,163	US\$219,347	Scotia Money Market Fund	A

This change is expected to improve efficiency in the management of Scotiabank's short-term investment solutions, as we continually seek to ensure that Scotia Funds align with the investment objectives of our valued clients.

These changes were approved and adopted by the Funds' Board of Directors on December 5, 2019. The last distribution date for the Fund will be applied to all accounts on record at February 26, 2020. After the change, all Pre-Authorized Contributions (PAC) will continue to be invested in the Scotia Money Market Fund.

### Action to be taken

Scotiabank investment advisers will contact the holders of Shares in Scotiabank Short-Term Income Fund Inc. directly by email or by telephone by March 27, 2020 and advise the number and class of shares to be compulsorily redeemed from such holder on the Effective Date (provided their Shares have not been redeemed at the request of the holder prior to the Effective Date).

You have the right to redeem your Shares in Scotiabank Short-Term Income Fund Inc. before these changes take effect, with redemption proceeds instead being paid in cash. Accordingly, if you do not wish to receive New Shares in Scotia Money Market Fund,

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you must inform your investment advisor, on or before 4.00pm (Eastern Time) on March 27, 2020, who shall, subject to being provided with the requested information, complete and submit a redemption request online.

If you do nothing, your Shares will be redeemed on the Effective Date at their respective redemption price calculated in accordance with the Articles, and the proceeds shall be satisfied in full by the issue of the relevant number of New Shares with a similar aggregate net asset value.

### **Further information**

A copy of the Prospectus, and the Scotia Money Market Fund prospectus is available at the following webpage:

<https://ky.scotiabank.com/personal/investing/prospectus.html>

A copy of the Articles, and the articles of association of Scotia Money Market Fund, which contain the terms relating to the New Shares, are available at the following webpage: <https://ky.scotiabank.com/personal/investing/mutual-funds/announcements.html>

Please contact your investment advisor for any enquiries that you may have in relation to the Compulsory Redemption or if you would like to redeem your Shares for cash on or prior to March 27, 2020.

We look forward to continuing our partnership with you toward achieving your financial goals.

For further information in relation to the above notice and announcement please contact the Issuer as follows:

### **Scotiabank Short-Term Income Fund Inc.**

18 Forum Lane  
2nd Floor, Camana Bay  
Grand Cayman, P. O. Box 501, KY1-1106  
Cayman Islands, BWI

### **Scotia Global Asset Management**

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**[Annexure - Articles of association]**