



MD Financial
Management
CMA Companies

July 5, 2018

Notice of Change of Control of MD Financial Management Inc.

To: Securityholders of the Funds Listed on Schedule A

This notice is being provided to you for informational purposes only and in accordance with applicable securities requirements because you hold securities of one of the investment funds listed on Schedule A (collectively, the Funds). You are not required to take any action as a result of the transaction described below.

This notice is to advise you that The Bank of Nova Scotia (**Scotiabank**) and the Canadian Medical Association (**CMA**) have entered into a share purchase agreement pursuant to which Scotiabank will, through a wholly owned subsidiary, acquire CMA Holdings (2014) Inc., an indirect holding company of MD Financial Management Inc., the investment fund manager of the Funds (the **Manager**), which will result in Scotiabank's indirect acquisition of the Manager and all of its subsidiaries and, thus, an indirect change of control of the Manager (the **Transaction**). Subject to regulatory approvals and closing conditions, the Transaction is expected to close in Q3 2018. On the Closing Date, or shortly thereafter, Scotiabank may effect a reorganization among its subsidiaries, to cause the Manager to amalgamate with certain holding companies affiliated with Scotiabank (the **Amalgamation**). The Amalgamation will not result in a material change to the Manager's business, operations, and affairs or to the management of the Funds.

The completion of the Transaction is subject to receipt of all required regulatory approvals, as well as satisfaction of the conditions of closing. Because the completion of the Transaction will result in an indirect change of control of the Manager, you must receive advance notice. Notwithstanding the Amalgamation, no immediate material changes to the Funds or to the role of the Manager are contemplated as a result of the Transaction.

MD Private Investment Counsel will continue to provide discretionary portfolio management services and advice to the securityholders of the MDPIF Funds (as defined in Schedule A).

For more information about Scotiabank, please visit its website at www.scotiabank.com. If you have any questions concerning the Transaction or its impact on you, please contact your MD Advisor or the MD Trade Centre at 1 800 267-2332.

Yours truly,

Brian Peters
President and Chief Executive Officer
MD Financial Management Inc.

Schedule A

MD Precision™ Canadian Balanced Growth Fund (formerly MD Balanced Fund)¹
MD Bond Fund
MD Short-Term Bond Fund
MD Precision™ Canadian Moderate Growth Fund (formerly MD Dividend Income Fund)¹
MD Equity Fund
MD Growth Investments Limited
MD Dividend Growth Fund
MD International Growth Fund
MD International Value Fund
MD Money Fund
MD Select Fund
MD American Growth Fund
MD American Value Fund
MD Strategic Yield Fund
MD Strategic Opportunities Fund
MD Fossil Fuel Free Bond Fund™
MD Fossil Fuel Free Equity Fund™
MD Precision Conservative Portfolio™
MD Precision Balanced Income Portfolio™
MD Precision Moderate Balanced Portfolio™
MD Precision Moderate Growth Portfolio™
MD Precision Balanced Growth Portfolio™
MD Precision Maximum Growth Portfolio™

(collectively, the **MD Funds**)

MDPIM Canadian Bond Pool
MDPIM Canadian Long Term Bond Pool
MDPIM Dividend Pool
MDPIM Strategic Yield Pool
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
MDPIM International Equity Pool
MDPIM Strategic Opportunities Pool
MDPIM Emerging Markets Equity Pool
MDPIM S&P/TSX Capped Composite Index Pool
MDPIM S&P 500 Index Pool
MDPIM International Equity Index Pool

(collectively, the **MDPIM Funds** and together with the MD Funds, the **Funds**)

¹As of June 1, 2018, the MD Balanced Fund has changed its name to the MD Precision™ Canadian Balanced Growth Fund and the MD Dividend Income Fund has changed its name to MD Precision™ Canadian Moderate Growth Fund.

MD Precision Portfolios™ and MD Fossil Fuel Free Funds™ are trademarks of the Canadian Medical Association, used under licence.

MD Management Limited – Member – Canadian Investor Protection Fund

MD Private Investment Counsel offers investment counselling services, delivered by MD Financial Management Inc., a CMA company.

MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. For a detailed list of these companies, visit md.cma.ca.