

# SCITI Total Return Trust

## P R E S S   R E L E A S E

### SCITI Total Return Trust Provides Update on Reorganization Proposal

Toronto, June 17, 2010

#### **Attention: Business / Financial Editors**

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SCITI Total Return Trust (the "Trust") announced today the cancellation of the previously announced proposal to merge the Trust with SCITI ROCS Trust due to the inability to obtain required regulatory approval on satisfactory terms and the cancellation of the meeting of holders of units ("Unitholders") which was to be held on July 22, 2010 to consider the same. The merger had been proposed as a method of dealing with the changes to the income trust market stemming from the implementation of new tax rules.

Due to the rapidly declining size of the income trust universe in Canada, Scotia Capital Inc. announced on June 4, 2010 that it would discontinue coverage of the Scotia Capital Income Trust Index (the "SCITI Index"), the index that provides the basis of the investment strategy of the Trust.

In response to these events, the investment strategy of the SCITI TR Fund portfolio will be modified to a holding based on issuers that are currently in the SCITI Index with the following changes. In order to maintain diversification, the Trust will no longer dispose of income trusts that convert to a corporate structure provided that they continue to pay a distribution. In addition, the portfolio will not hold securities of issuers with a float capitalization of less than \$30 million, which do not currently pay a distribution, or which do not meet certain liquidity requirements. While the portfolio will still be based on an equal weighting of the issuers it holds, to the extent there are less than 100 eligible issuers, the SCITI TR Fund portfolio will hold less than 100 names. The changes to the investment strategy of the SCITI TR Fund portfolio will be implemented immediately.

The Trust will terminate on its scheduled termination date of May 16, 2011.

#### **About SCITI Total Return Trust**

The Trust was created to provide Unitholders with tax-efficient exposure to the total return of an approximately equal portfolio of the 100 largest income funds included in the SCITI Index from time to time.

Units of SCITI Total Return Trust are listed for trading on The Toronto Stock Exchange under the symbol STF.UN.

Certain statements contained herein constitute "forward-looking statements". Forward-looking statements look into the future and provide an opinion as to the effect of certain events and anticipated results. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," and similar expressions. These forward-looking statements are based on current expectations and assumptions which are believed to be reasonable as at the date of this statement and entail various risks and uncertainties. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The issuer assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason, other than as required by applicable securities laws. In the event the issuer does update any forward-looking statement, no inference should be made that the issuer will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

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