

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2018

SCOTIABANK CANADIAN GROWTH FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2018

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SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2018
(expressed in United States dollars)

	<u>31-Mar-18</u>	<u>31-Dec-17</u>	<u>31-Mar-17</u>
ASSETS			
Cash and cash equivalents	\$ 316,086	\$ 576,307	\$ 983,340
Financial assets at fair value through profit or loss (Cost: \$32,954,537 (December 2017:\$33,383,838; March 2017: \$40,673,451))	32,802,288	36,935,516	37,427,235
Dividends receivable	93,973	81,536	48,842
Receivable from Manager	10,469	1,199	65
Subscriptions receivable	767	-	15,543
Receivable for investments sold	-	-	410,910
	<u>33,223,583</u>	<u>37,594,558</u>	<u>38,885,935</u>
Total assets			
LIABILITIES			
Management fee payable	53,713	59,414	61,362
Tax withholding liability	23,493	20,384	12,211
Accrued expenses	22,135	47,541	36,728
Redemptions payable	8,428	11,499	264
Payable for investments purchased	-	-	161,652
	<u>107,769</u>	<u>138,838</u>	<u>272,217</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)			
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,115,046</u>	<u>\$ 37,454,952</u>	<u>\$ 38,612,950</u>
Net asset value per redeemable participating share			
Class A			
\$27,876,028/10,751,653 shares (December 2017: \$31,346,016/10,944,713 shares; March 2017: \$32,123,259/11,914,770 shares)	<u>\$ 2.59</u>	<u>\$ 2.86</u>	<u>\$ 2.70</u>
Class NU			
\$1,079,444/410,481 shares (December 2017: \$1,251,544/430,310 shares; March 2017: \$1,425,967/518,819 shares)	<u>\$ 2.63</u>	<u>\$ 2.91</u>	<u>\$ 2.75</u>
Class IU			
\$1,364,663/470,504 shares (December 2017: \$1,500,220/470,504 shares; March 2017: \$2,108,335/712,685 shares)	<u>\$ 2.90</u>	<u>\$ 3.19</u>	<u>\$ 2.96</u>
Class AC			
CDN2,002,964/525,532 shares (December 2017: CDN2,310,342/565,943 shares; March 2017: CDN2,110,369/515,667 shares)	<u>CDN 3.81</u>	<u>CDN 4.08</u>	<u>CDN 4.09</u>
Class NC			
CDN823,964/235,318 shares (December 2017: CDN 1,064,533/282,579 shares; March 2017: CDN1,009,930/266,464 shares)	<u>CDN 3.50</u>	<u>CDN 3.77</u>	<u>CDN 3.79</u>
Class IC			
CDN778,220/201,627 shares (December 2017: CDN830,888/201,627 shares; March 2017: CDN820,557/201,267 shares)	<u>CDN 3.86</u>	<u>CDN 4.12</u>	<u>CDN 4.07</u>
Class J			
JMC55,357/558 shares (December 2017: JMC60,175/558 shares; March 2017: JMC57,284/558 shares)	<u>JMC 99.16</u>	<u>JMC 107.79</u>	<u>JMC 102.61</u>

Approved for issuance on behalf of Scotiabank Canadian Growth Fund's Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Dwight Burrows
Dwight Burrows
Director

Date: May 11, 2018

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

QUARTER ENDED MARCH 31, 2018

(expressed in United States dollars)

	<u>31-Mar-18</u>	<u>31-Dec-17</u>	<u>31-Mar-17</u>
Income			
Dividend income	\$ 257,218	\$ 252,595	\$ 210,839
Net realized income (loss) on financial assets at fair value through profit or loss and foreign currencies	222,073	(261,681)	(104,271)
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>(3,705,252)</u>	<u>1,402,108</u>	<u>165,501</u>
Total net (loss) income	<u>(3,225,961)</u>	<u>1,393,022</u>	<u>272,069</u>
Expenses			
Management fees	164,797	178,581	182,960
Custodian and administration fees	22,563	23,048	21,501
Other expenses	20,712	22,803	19,590
Professional fees	<u>5,918</u>	<u>6,574</u>	<u>5,745</u>
Total operating expenses	213,990	231,006	229,796
Less: expenses reimbursed	<u>(9,270)</u>	<u>(6,516)</u>	<u>(721)</u>
Net operating expenses	<u>204,720</u>	<u>224,490</u>	<u>229,075</u>
Operating profit	(3,430,681)	1,168,532	42,994
Withholding taxes on dividend income	<u>(64,770)</u>	<u>(63,149)</u>	<u>(52,960)</u>
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (3,495,451)</u>	<u>\$ 1,105,383</u>	<u>\$ (9,966)</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED MARCH 31, 2018

(expressed in United States dollars)

	<u>31-Mar-18</u>	<u>31-Dec-17</u>	<u>31-Mar-17</u>
Shareholders' Equity			
Share Capital	\$ 120,282	\$ 123,287	\$ 135,631
Share Premium	32,546,105	33,387,555	36,819,717
Retained Earnings	3,944,110	2,838,727	1,667,568
(Decrease) increase in net assets for the quarter	<u>(3,495,451)</u>	<u>1,105,383</u>	<u>(9,966)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,115,046</u>	<u>\$ 37,454,952</u>	<u>\$ 38,612,950</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED MARCH 31, 2018

(expressed in United States dollars)

	<u>31-Mar-18</u>	<u>31-Dec-17</u>	<u>31-Mar-17</u>
Cash flows from operating activities			
Dividend received	\$ 183,120	\$ 178,947	\$ 166,980
Operating expenses paid	(245,097)	(232,577)	(261,034)
Reimbursements received from Manager	-	18,001	656
Purchase of financial assets at fair value through profit or loss	(2,507,423)	(12,999,857)	(7,328,802)
Proceeds from sale of financial assets at fair value through profit or loss	3,158,018	9,616,401	10,284,804
Net realized (loss) gain on foreign currencies	(545)	81,637	4,866
	<u>588,073</u>	<u>(3,337,448)</u>	<u>2,867,470</u>
Net cash provided by (used in) operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	885,561	698,376	1,211,471
Payments for redemptions of redeemable participating shares	(1,733,855)	(1,897,922)	(4,037,075)
	<u>(848,294)</u>	<u>(1,199,546)</u>	<u>(2,825,604)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	(260,221)	(4,536,994)	41,866
Cash and cash equivalents at beginning of period	<u>576,307</u>	<u>5,113,301</u>	<u>941,474</u>
Cash and cash equivalents at end of period	<u>\$ 316,086</u>	<u>\$ 576,307</u>	<u>\$ 983,340</u>
Supplementary information on cash flows from operating activities			
Tax withheld	<u>\$ 61,661</u>	<u>\$ 59,437</u>	<u>\$ 56,038</u>

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2018

1. General

Scotiabank Canadian Growth Fund (the "Company") was incorporated in the Cayman Islands on June 23, 1994 and registered under the Mutual Fund Law of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The address of the registered office is Scotia Centre, 6 Cardinal Avenue, P.O. Box 501, Grand Cayman KY1-1106. The Company has no employees.

2. Significant accounting policies

These statements are prepared using the International Accounting Standards. Security transactions are accounted for on a trade date basis. Realized gains and losses on the sales of portfolio securities are calculated on an average cost basis. Interest is recorded on an accrual basis and dividend income is recognized on the ex-dividend date.