

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2019

SCOTIABANK CANADIAN GROWTH FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2019

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SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
(expressed in United States dollars)

	<u>30-Jun-19</u>	<u>31-Mar-19</u>	<u>30-Jun-18</u>
ASSETS			
Cash and cash equivalents	\$ 580,585	\$ 760,364	\$ 105,646
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$27,443,494 (March 2019: \$28,286,917; June 2018: \$32,849,483))	28,736,237	28,386,813	33,044,168
Derivatives	5,694	-	-
Dividends receivable	60,024	72,767	82,993
Receivable from Manager	33,214	16,705	21,620
Subscriptions receivable	4,021	496	985
	<u>29,419,775</u>	<u>29,237,145</u>	<u>33,255,412</u>
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	317,393	-	-
Management fee payable	47,998	50,051	51,972
Accrued expenses	17,653	33,056	30,246
Tax withholding liability	15,135	18,524	20,748
Redemptions payable	9,431	-	318
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>407,610</u>	<u>101,631</u>	<u>103,284</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 29,011,397</u>	<u>\$ 29,134,746</u>	<u>\$ 33,151,360</u>
Net asset value per redeemable participating share			
Class A			
\$25,855,904/9,591,487 shares (March 2019: \$26,028,837/9,895,113 shares; June 2018: \$27,776,816/10,531,860 shares)	<u>\$ 2.70</u>	<u>\$ 2.63</u>	<u>\$ 2.64</u>
Class NU			
\$895,673/329,635 shares (March 2019: \$938,879/353,664 shares; June 2018: \$1,970,154/363,124 shares)	<u>\$ 2.72</u>	<u>\$ 2.65</u>	<u>\$ 2.67</u>
Class IU			
\$911/357 shares (March 2019: \$835/357 shares; June 2018: \$1,422,479/479,790 shares)	<u>\$ 2.55</u>	<u>\$ 2.34</u>	<u>\$ 2.96</u>
Class AC			
CDN2,091,296/520,112 shares (March 2019: CDN2,030,735/507,174 shares; June 2018: CDN2,257,271/571,002 shares)	CDN <u>4.02</u>	CDN <u>4.00</u>	CDN <u>3.95</u>
Class NC			
CDN863,900/235,318 shares (March 2019: CDN861,359/235,318 shares; June 2018: CDN853,569/235,318 shares)	CDN <u>3.67</u>	CDN <u>3.66</u>	CDN <u>3.62</u>
Class IC			
CDN1,328/320 shares ((March 2019: CDN1,228/320 shares; June 2018: CDN811.121/201,627 shares)	CDN <u>4.15</u>	CDN <u>3.84</u>	CDN <u>4.02</u>
Class IJ			
JMC61,122/558 shares (March 2019: JMC57,291/558 shares; June 2018: JMC58,515/558 shares)	JMC <u>109.49</u>	JMC <u>102.63</u>	JMC <u>104.82</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: August 14, 2019

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED JUNE 30, 2019

(expressed in United States dollars)

	<u>30-Jun-19</u>	<u>31-Mar-19</u>	<u>30-Jun-18</u>
Income			
Dividend income	\$ 214,996	\$ 230,963	\$ 249,445
Interest income	246	-	-
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(154,250)	(64,642)	235,365
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>881,425</u>	<u>3,537,013</u>	<u>348,094</u>
Total net income	<u>942,417</u>	<u>3,703,334</u>	<u>832,904</u>
Expenses			
Management fees	147,531	143,006	158,336
Custodian and administration fees	21,780	21,566	20,253
Other expenses	20,441	21,945	20,655
Professional fees	<u>7,410</u>	<u>7,299</u>	<u>5,983</u>
Total operating expenses	197,162	193,816	205,227
Less: expenses reimbursed	<u>(16,509)</u>	<u>(16,161)</u>	<u>(11,146)</u>
Net operating expenses	<u>180,653</u>	<u>177,655</u>	<u>194,081</u>
Operating profit	761,764	3,525,679	638,823
Withholding taxes on dividend income	<u>(52,035)</u>	<u>(57,838)</u>	<u>(62,362)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 709,729</u>	<u>\$ 3,467,841</u>	<u>\$ 576,461</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED JUNE 30, 2019

(expressed in United States dollars)

	<u>30-Jun-19</u>	<u>31-Mar-19</u>	<u>30-Jun-18</u>
Shareholders' Equity			
Share Capital	\$ 101,103	\$ 104,250	\$ 118,158
Share Premium	27,310,535	28,140,466	32,008,082
Retained Earnings	890,030	(2,577,811)	448,659
Increase in net assets for the quarter	<u>709,729</u>	<u>3,467,841</u>	<u>576,461</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 29,011,397</u>	<u>\$ 29,134,746</u>	<u>\$ 33,151,360</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED JUNE 30, 2019

(expressed in United States dollars)

	<u>30-Jun-19</u>	<u>31-Mar-19</u>	<u>30-Jun-18</u>
Cash flows from operating activities			
Dividend received	\$ 172,315	\$ 169,151	\$ 195,318
Interest income received	246	-	-
Operating expenses paid	(214,618)	(189,359)	(198,862)
Reimbursements received from Manager	-	14,029	-
Purchase of financial assets at fair value through profit or loss	(1,645,607)	(2,363,217)	(1,778,322)
Proceeds from sale of financial assets at fair value through profit or loss	2,334,780	1,962,747	2,118,850
Net change in unrealized gain on foreign currencies	(311,422)	21,905	1,051
Net change in unrealized appreciation on derivatives	311,699	-	-
	<u>647,393</u>	<u>(384,744)</u>	<u>338,035</u>
Net cash provided by (used in) operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	251,031	308,503	545,113
Payments for redemptions of redeemable participating shares	(1,078,203)	(777,298)	(1,093,588)
	<u>(827,172)</u>	<u>(468,795)</u>	<u>(548,475)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	(179,779)	(853,539)	(210,440)
Cash and cash equivalents at beginning of period	<u>760,364</u>	<u>1,613,903</u>	<u>316,086</u>
Cash and cash equivalents at end of period	<u>\$ 580,585</u>	<u>\$ 760,364</u>	<u>\$ 105,646</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 55,424</u>	<u>\$ 56,070</u>	<u>\$ 65,107</u>

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2019

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 registered office of the Fund is located at the offices of Scotiabank & Trust (Cayman) Ltd., 18 Forum Lane, Camana Bay, P.O. Box 501, Grand Cayman, KY1-1106. The Company has no employees.

2. Significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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.

3. Foreign currency share classes

For the classes of shares denominated in currencies other than the functional currency of the Company, the Net Asset Values are calculated by converting the USD Net Asset Value per Share to the CDN or JMC equivalent using the then current rate of exchange. For the quarter ended June 30, 2019, the current rates of exchange are:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.309
JMC		USD	130.537