

# Scotia Total Return Bond LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$263,278,917
Unrealized gain on currency forward contracts	40,876
Cash	42,137,662
Accrued investment income	1,704,816
Receivable for securities sold	9,896,296
Subscriptions receivable	647,000
Margin deposited on futures	1,901,055
	<u>319,606,622</u>
<b>LIABILITIES</b>	
Current liabilities	
Payable for securities purchased	2,065
Accrued expenses	5,071
	<u>7,136</u>
Net Assets attributable to holders of redeemable units	<u>\$319,599,486</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES</b>	
Series I Units	<u>\$319,599,486</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>30,895,632</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	
Series I Units	<u>\$ 10.31</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 450,354
Interest for distribution purposes	3,826,465
Net realized gain (loss) on non-derivative financial assets	659,422
Net realized gain (loss) on futures contracts	684,942
Net realized gain (loss) on currency forwards	231,909
Net gain (loss) foreign exchange	8,111
Change in unrealized appreciation (depreciation) of non-derivative financial assets	2,198,353
Change in unrealized appreciation (depreciation) of currency forwards	40,876
Change in unrealized appreciation (depreciation) of currency futures	631,706
	<u>8,732,138</u>
Net gain (loss) on investments	<u>8,732,138</u>
Securities lending	5,930
Total income (loss)	<u>8,738,068</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	1,476
Audit fees	2,420
Independent Review Committee fees	341
Legal fees	755
Unitholder reporting costs	2,362
Unitholder administration and service fees	15,619
Overdraft charges	7,738
Foreign withholding taxes/tax reclaims	106,395
Transaction costs	32,498
	<u>169,604</u>
Total expenses	<u>169,604</u>
Absorbed expenses	(1)
Net expenses	<u>169,603</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$ 8,568,465</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES</b>	
Series I Units	<u>\$ 8,568,465</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*</b>	
Series I Units	<u>\$ 0.31</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>27,437,896</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD</b>	
Series I Units	\$ –
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS</b>	
Series I Units	<u>8,568,465</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	318,306,064
Payments on redemption	
Series I Units	<u>(7,275,043)</u>
	<u>311,031,021</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	
Series I Units	<u>319,599,486</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD</b>	
Series I Units	<u>\$319,599,486</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 8,568,465
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(659,422)
Net realized gain (loss) foreign exchange on cash	(8,111)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(2,198,353)
Change in unrealized appreciation (depreciation) of forward currency contracts	(40,876)
Change in unrealized appreciation (depreciation) of currency futures contracts	(631,706)
Purchases of non-derivative financial assets	(689,138,894)
Proceeds from sale of non-derivative financial assets	418,805,881
Transaction costs	17,640
Accrued investment income	(1,704,816)
Accrued expenses	5,071
Change in margin accounts for futures contracts	(1,269,349)
Net cash provided by (used in) operating activities	<u>(268,254,470)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	317,659,064
Amounts paid on redemption of redeemable units	<u>(7,275,043)</u>
Net cash provided by (used in) financing activities	<u>310,384,021</u>
Net gain (loss) foreign exchange on cash	8,111
Net increase (decrease) in cash	<u>42,129,551</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 42,137,662</u>
Interest received <sup>(1)</sup>	2,124,007
Dividends received, net of withholding taxes <sup>(1)</sup>	343,959

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.

# Scotia Total Return Bond LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Face Value (\$)	Issuer	Average Cost (\$)	Carrying Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Carrying Value (\$)
BOND AND DEBENTURE INSTRUMENTS – 79.8%				BOND AND DEBENTURE INSTRUMENTS (cont'd)			
Federal Bonds – 15.1%				Corporate Bonds (cont'd)			
3,050,000	Australian Government 5.15% due Apr. 9, 2020	3,420,902	3,446,791	4,025,000	Daimler Canada Finance Inc. 2.28% due Feb. 17, 2017	4,060,996	4,070,229
6,400,000	NHA Mortgage-Backed Securities 3.34% due Nov. 1, 2023	6,565,068	6,501,440	3,515,000	George Weston Limited 3.78% due Oct. 25, 2016	3,677,193	3,667,114
535,000,000	Republic of Chile 5.50% due Aug. 5, 2020	1,112,557	1,079,113	2,700,000	Goldman Sachs Group, Inc., The 3.55% due Feb. 12, 2021	2,697,003	2,751,804
35,000,000	United States Treasury Notes 2.13% due Jun. 30, 2021	37,399,453	37,328,131	2,500,000	Heathrow Funding Ltd. 3.00% due Jun. 17, 2021	2,480,950	2,516,275
		48,497,980	48,355,475	1,185,000	Hospital Infrastructure Partners (NOH) Partnership 5.44% due Jan. 31, 2045	1,318,697	1,372,170
Provincial Bonds – 1.3%				7,700,000	HSBC Bank of Canada 2.57% due Nov. 23, 2015	7,813,575	7,808,869
4,300,000	Province of Quebec 3.50% due Dec. 1, 2045	4,081,956	4,093,333	2,935,000	International Business Machines Corporation 2.20% due Feb. 10, 2017	2,969,091	2,972,889
Mortgage-Backed Securities – 2.0%				3,180,000	John Deere Canada Funding Inc. 2.65% due Jul. 16, 2018	3,231,196	3,246,253
52,900,000	Institutional Mortgage Securities Canada Inc., Series 2013-4 1.14% due Nov. 12, 2023	2,962,400	2,729,640	1,660,000	Limited Brands, Inc. 5.63% due Feb. 15, 2022	1,884,201	1,921,501
37,200,000	Institutional Mortgage Securities Canada Inc., Series 2013-3 1.37% due Feb. 12, 2023	2,120,400	1,956,720	5,000,000	Manulife Bank of Canada 1.82% due Mar. 14, 2016	5,018,750	5,018,200
1,715,492	TD Securities, Inc. 1.65% due Jan. 1, 2018	1,616,165	1,686,449	3,400,000	Manulife Bank of Canada (callable) 2.81% due Feb. 21, 2024-(2019)	3,415,615	3,449,082
		6,698,965	6,372,809	4,205,000	Master Credit Card Trust 2.72% due Nov. 21, 2018	4,264,390	4,301,190
Corporate Bonds – 61.4%				3,570,000	Met Life Global Fund I 3.03% due Jun. 11, 2020	3,579,768	3,643,532
2,970,000	Algonquin Power & Utilities Corporation 4.82% due Feb. 15, 2021	3,124,508	3,211,757	3,940,000	Molson Coors International LP 3.95% due Oct. 6, 2017	4,144,779	4,151,677
2,575,000	AltaLink LP 3.67% due Nov. 6, 2023	2,603,864	2,684,097	5,490,000	National Australia Bank Limited 4.19% due Jul. 20, 2015	5,675,720	5,641,734
4,355,000	American Express Canada 2.31% due Mar. 29, 2018	4,360,771	4,396,315	4,075,000	National Bank of Canada 2.79% due Aug. 9, 2018	4,151,892	4,172,150
2,800,000	American Tower Corp. 3.50% due Jan. 31, 2023	2,927,704	2,942,503	2,115,000	NBC Asset Trust 7.24% due Jun. 30, 2018	2,505,390	2,498,939
3,220,000	APT Pipelines Ltd. 4.25% due Jul. 24, 2019	3,369,261	3,385,887	10,625,000	New South Wales Treasury Corp. 6.00% due Mar. 1, 2022	11,693,842	12,367,953
3,285,000	AT&T Inc. 3.83% due Nov. 25, 2020	3,388,299	3,445,538	3,703,234	North Battleford Power 4.96% due Dec. 31, 2032	3,880,745	4,019,832
2,600,000	Banco Santander Chile 4.50% due Mar. 13, 2017	2,589,541	2,640,192	1,265,000	Omers Realty Corporation 3.36% due Jun. 5, 2023	1,238,670	1,286,269
1,200,000	Bank of America Corporation 4.00% due Apr. 1, 2024	1,318,692	1,318,100	2,145,000	Owens Corning Inc. (callable) 4.20% due Dec. 15, 2022-(Sep. 15, 2022)	2,333,076	2,355,440
3,500,000	Bank of Nova Scotia, The 3.27% due Jan. 11, 2021	3,564,985	3,628,136	2,040,000	Quebecor Media 6.63% due Jan. 15, 2023	2,076,442	2,119,900
3,820,000	Bank of Nova Scotia, The (callable) 2.90% due Aug. 3, 2022-(2017)	3,905,071	3,918,099	11,300,000	Queensland Treasury Corp. 5.50% due Jun. 21, 2021	11,956,568	12,653,192
4,145,000	bcdMC Realty Corporation 3.51% due Jun. 29, 2022	4,189,022	4,298,801	3,390,000	RBC Capital Trust 4.87% due Dec. 31, 2015	3,577,171	3,546,242
3,020,000	Bell Canada 3.35% due Mar. 22, 2023	2,941,547	3,005,128	810,000	Sirius XM Canada Holdings Inc. (callable) 5.63% due Apr. 23, 2021-(2017)	810,000	816,280
2,995,000	Bow Centre Street Limited Partnership 3.80% due Jun. 13, 2023	2,933,240	3,009,023	3,230,000	Sobeys Inc. 3.52% due Aug. 8, 2018	3,330,684	3,346,671
3,425,000	BP Capital Markets PLC 3.50% due Nov. 9, 2020	3,474,458	3,560,554	3,000,000	TELUS Corporation (callable) 3.35% due Apr. 1, 2024-(Jan. 2, 2024)	2,881,250	2,947,241
2,350,000	Brookfield Asset Management Inc. 5.04% due Mar. 8, 2024	2,490,388	2,539,909	3,300,000	Toronto-Dominion Bank, The 2.56% due Jun. 24, 2020	3,300,000	3,310,349
7,700,000	Canadian Imperial Bank of Commerce (Floating Rate) 1.35% due Jun. 5, 2015	7,700,000	7,711,196	3,840,000	Toyota Credit Canada Inc. 2.80% due Nov. 21, 2018	3,905,862	3,938,881
4,470,000	Canadian Western Bank (callable) 4.39% due Nov. 30, 2020-(2015)	4,648,948	4,618,069	3,940,000	Veresen Inc. 3.95% due Mar. 14, 2017	4,115,304	4,120,230
2,800,000	Canadian Western Bank 3.08% due Jan. 14, 2019	2,851,320	2,878,787	1,985,000	Wells Fargo Financial Canada Corporation 3.04% due Jan. 29, 2021	1,984,091	2,016,231
2,700,000	Caterpillar Financial Services Limited 2.63% due Jun. 1, 2017	2,762,613	2,762,183			193,410,673	196,378,649
3,250,000	Choice Properties Real Estate Investment Trust 3.00% due Apr. 20, 2016	3,313,769	3,310,022			252,689,574	255,200,266
2,175,000	Co-operators Financial Services Limited 5.78% due Mar. 10, 2020	2,368,544	2,386,258				
2,700,000	Corus Entertainment Inc. 4.25% due Feb. 11, 2020	2,611,217	2,679,776				
					TOTAL BOND AND DEBENTURE INSTRUMENTS		

The accompanying notes are an integral part of the financial statements.

# Scotia Total Return Bond LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO As at June 30, 2014

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EXCHANGE-TRADED FUND – 2.5%			
304,481	PowerShares Senior Loan Portfolio	8,379,764	8,078,651
	TOTAL INVESTMENT PORTFOLIO	261,069,338	263,278,917
	Currency Forward Contracts – 0.0%		40,876
	Futures Contracts – 0.6%		1,901,055
	OTHER ASSETS, LESS LIABILITIES – 17.1%		54,378,638
	NET ASSETS – 100.0%		319,599,486

## CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 (\$)	Canadian (\$) Appreciation/ (Depreciation)
Sep. 30, 2014	Canadian Dollar	29,798,010	Australian Dollar	29,700,000	29,757,134	40,876

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

## CURRENCY FUTURES CONTRACTS

Number of Contracts	Settlement Date	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Appreciation/ (Depreciation) (\$)
572	Sep. 2014	56,480,420	57,112,126	631,706

The above currency futures contracts are financial agreements to purchase foreign currencies at a contracted price on a specific future date. However, the Fund does not intend to purchase the foreign currencies on settlement. Rather, it intends to close out each currency futures contract before settlement by entering into equal, but offsetting currency futures contracts.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of AA- by Standard & Poor's.

# Scotia Total Return Bond LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to provide income and capital gains from an actively managed diversified portfolio of primarily Canadian fixed income securities.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014
Less than 1 year	\$ 7,711,196
1-3 years	50,992,251
3-5 years	41,984,493
5-10 years	145,026,991
> 10 years	9,485,335
Total	\$255,200,266

\* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$3,739,024 or approximately 1.2% of total net assets attributable to holders of redeemable units. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

- ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	53,770,473	16.8	5,377,047	1.7
Chile Peso	1,079,113	0.3	107,911	0.0
Australian Dollar	(1,769,266)	(0.6)	(176,927)	(0.1)
Total	53,080,320	16.5	5,308,031	1.6

- iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 2.5% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$807,865. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

# Scotia Total Return Bond LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	23.0	18.4
AA	29.2	23.2
A	26.8	21.3
BBB	14.7	11.8
BB	3.0	2.4
B	0.8	0.7
UNRATED	2.5	2.0
Total	100.0	79.8

### v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	–	\$7,136
Redeemable units	\$319,599,486	–
	\$319,599,486	\$7,136

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

### vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Bond and Debenture Instruments	79.8
Exchange-Traded Funds	2.5
Currency Forward Contracts	0.0
Futures Contracts	0.6

### vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

	Level 1	Level 2	Level 3	Total
Exchange-Traded Fund	\$8,078,651	\$ –	\$ –	\$ 8,078,651
Bond and Debenture Instruments	–	255,200,266	–	255,200,266
Currency Forward Contracts–Assets	–	40,876	–	40,876
Futures Contracts–Assets	631,706	–	–	631,706
	\$8,710,357	\$255,241,142	\$ –	\$263,951,499

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# Scotia U.S. Low Volatility Equity LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$787,318,185
Cash	9,057,822
Accrued investment income	290
	<u>796,376,297</u>
<b>LIABILITIES</b>	
Current liabilities	
Accrued expenses	12,166
Net Assets attributable to holders of redeemable units	<u>\$796,364,131</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I Units	<u>\$796,364,131</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>75,036,240</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I Units	<u>\$ 10.61</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 1,582,493
Interest for distribution purposes	5,848
Net realized gain (loss) on non-derivative financial assets	21,011,206
Net gain (loss) foreign exchange	(732,554)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	21,710,904
Net gain (loss) on investments	43,577,897
Securities lending	652
Total income (loss)	<u>43,578,549</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	2,999
Audit fees	5,167
Independent Review Committee fees	736
Legal fees	1,667
Unitholder reporting costs	3,151
Unitholder administration and service fees	34,566
Overdraft charges	43
Foreign withholding taxes/tax reclaims	237,374
Transaction costs	306,678
Total expenses	<u>592,381</u>
Absorbed expenses	(3)
Net expenses	<u>592,378</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$42,986,171</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I Units	<u>\$42,986,171</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*	
Series I Units	<u>\$ 0.73</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>58,831,098</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD	
Series I Units	<u>\$ –</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I Units	<u>42,986,171</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	754,614,263
Payments on redemption	
Series I Units	<u>(1,236,303)</u>
	<u>753,377,960</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I Units	<u>796,364,131</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD	
Series I Units	<u>\$796,364,131</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 42,986,171
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(21,011,206)
Net realized gain (loss) foreign exchange on cash	732,554
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(21,710,904)
Purchases of non-derivative financial assets	(1,302,817,035)
Proceeds from sale of non-derivative financial assets	557,914,282
Transaction costs	306,678
Accrued investment income	(290)
Accrued expenses	12,166
Net cash provided by (used in) operating activities	<u>(743,587,584)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	754,614,263
Amounts paid on redemption of redeemable units	<u>(1,236,303)</u>
Net cash provided by (used in) financing activities	<u>753,377,960</u>
Net gain (loss) foreign exchange on cash	(732,554)
Net increase (decrease) in cash	<u>9,790,376</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 9,057,822</u>
Interest received <sup>(1)</sup>	5,558
Dividends received, net of withholding taxes <sup>(1)</sup>	1,345,119

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.

# Scotia U.S. Low Volatility Equity LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

<b>Number of Units</b>	<b>Issuer</b>	<b>Average Cost (\$)</b>	<b>Carrying Value (\$)</b>
EXCHANGE-TRADED FUNDS – 98.9%			
786,290	Vanguard Consumer Staples ETF	98,547,887	97,256,559
648,170	Vanguard Energy ETF	91,209,829	99,548,246
1,971,810	Vanguard Financials ETF	94,649,536	97,566,036
833,160	Vanguard Health Care ETF	95,786,502	99,178,519
863,750	Vanguard Industrials ETF	100,238,400	96,046,965
948,700	Vanguard Information Technology Index ETF	92,905,665	97,963,037
823,110	Vanguard Materials ETF	92,113,665	98,166,585
984,660	Vanguard Utilities ETF	100,039,969	101,592,238
	TOTAL INVESTMENT PORTFOLIO	<u>765,491,453</u>	<u>787,318,185</u>
	OTHER ASSETS, LESS LIABILITIES – 1.1%		<u>9,045,946</u>
	NET ASSETS – 100.0%		<u><u>796,364,131</u></u>

The accompanying notes are an integral part of the financial statements.

# Scotia U.S. Low Volatility Equity LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to generate long term capital growth. It may invest directly in, or provide exposure to, investments including, but not limited to, exchange-traded funds ("ETFs") reflecting the primary sectors of the S&P 500, as well as cash and cash equivalents.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	796,326,007	100.0	79,632,601	10.0

- ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 98.9% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$78,731,819. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

- iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ –	\$12,166
Redeemable units	796,364,131	–
	\$796,364,131	\$12,166

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

- iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Exchange-traded Funds	98.9



# Scotia U.S. Low Volatility Equity LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	\$787,318,185	\$ –	\$ –	\$787,318,185

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# Scotia Global Low Volatility Equity LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$501,393,230
Cash	3,647,465
Accrued investment income	877,205
Subscriptions receivable	665,000
	<u>506,582,900</u>
<b>LIABILITIES</b>	
Current liabilities	
Payable for securities purchased	1,753,709
Accrued expenses	7,804
	<u>1,761,513</u>
Net Assets attributable to holders of redeemable units	<u>\$504,821,387</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I Units	<u>\$504,821,387</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>47,407,147</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I Units	<u>\$ 10.65</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 6,262,084
Interest for distribution purposes	18,782
Net realized gain (loss) on non-derivative financial assets	2,409,817
Net gain (loss) foreign exchange	(391,936)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	17,090,727
Net gain (loss) on investments	<u>25,389,474</u>
Securities lending	9,154
Total income (loss)	<u>25,398,628</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	2,055
Audit fees	3,471
Independent Review Committee fees	492
Custodian fees	100
Legal fees	1,101
Unitholder reporting costs	2,660
Unitholder administration and service fees	22,767
Overdraft charges	570
Foreign withholding taxes/tax reclaims	976,846
Transaction costs	193,041
Total expenses	<u>1,203,103</u>
Absorbed expenses	(3)
Net expenses	<u>1,203,100</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$24,195,528</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I Units	<u>\$24,195,528</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*	
Series I Units	<u>\$ 0.62</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>38,880,113</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD	
Series I Units	\$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I Units	<u>24,195,528</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series I Units	481,767,908
Payments on redemption	
Series I Units	<u>(1,142,049)</u>
	<u>480,625,859</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I Units	<u>504,821,387</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD	
Series I Units	<u>\$504,821,387</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 24,195,528
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(2,409,817)
Net realized gain (loss) foreign exchange on cash	391,936
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(17,090,727)
Purchases of non-derivative financial assets	(519,050,655)
Proceeds from sale of non-derivative financial assets	38,718,637
Transaction costs	193,041
Accrued investment income	(877,205)
Accrued expenses	7,804
Net cash provided by (used in) operating activities	<u>(475,921,458)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	481,102,908
Amounts paid on redemption of redeemable units	<u>(1,142,049)</u>
Net cash provided by (used in) financing activities	<u>479,960,859</u>
Net gain (loss) foreign exchange on cash	(391,936)
Net increase (decrease) in cash	<u>4,039,401</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 3,647,465</u>
Interest received <sup>(1)</sup>	16,502
Dividends received, net of withholding taxes <sup>(1)</sup>	4,410,314

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.

# Scotia Global Low Volatility Equity LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.3%				EQUITIES (cont'd)			
UNITED STATES – 54.0%				UNITED STATES (cont'd)			
Energy – 1.0%				Financials – 7.6%			
60,982	Kinder Morgan Management LLC	4,923,627	5,135,032	31,200	AvalonBay Communities, Inc.	4,766,131	4,732,059
Materials – 1.0%				16,500	Camden Property Trust	1,259,403	1,252,454
24,800	Ball Corporation	1,336,823	1,658,378	23,600	Crown Castle International Corp.	1,869,881	1,869,313
61,200	Nucor Corporation	3,342,172	3,215,589	20,100	Equity Residential Real Estate Investment Trust	1,208,108	1,350,951
3,033	Rayonier Advanced Materials Inc.	119,133	125,385	36,800	Federal Realty Investment Trust	4,518,734	4,745,753
		4,798,128	4,999,352	144,100	Kimco Realty Corporation	3,314,542	3,532,782
Consumer Discretionary – 4.8%				23,900	Liberty Property Trust	984,078	967,510
3,800	Advance Auto Parts, Inc.	515,518	547,030	170,800	New York Community Bancorp, Inc.	3,183,889	2,911,840
6,000	AutoZone, Inc.	3,359,037	3,431,594	91,700	Plum Creek Timber Company, Inc.	4,275,233	4,412,134
41,500	Dollar General Corp.	2,485,027	2,539,569	9,800	Public Storage Real Estate Investment Trust	1,828,955	1,791,066
62,100	Dollar Tree, Inc.	3,547,822	3,608,046	9,100	Rayonier Inc.	448,560	344,985
17,400	Family Dollar Stores, Inc.	1,226,019	1,227,768	82,800	Regency Centers Corporation	4,519,055	4,918,497
33,600	Home Depot Inc., The	2,944,921	2,902,102	145,700	UDR Inc.	4,329,317	4,450,243
52,800	Nordstrom, Inc.	3,434,673	3,826,471	9,900	Vornado Realty Trust Real Estate Investment Trust	1,133,936	1,127,103
22,500	O'Reilly Automotive, Inc.	3,318,899	3,615,017			37,639,822	38,406,690
16,200	PetSmart Inc.	1,149,117	1,033,520	Information Technology – 0.9%			
43,300	Urban Outfitters, Inc.	1,735,764	1,564,147	39,700	Motorola Solutions, Inc.	2,855,974	2,819,499
		23,716,797	24,295,264	36,500	Synopsys Inc.	1,585,501	1,511,650
Consumer Staples – 14.6%						4,441,475	4,331,149
109,300	Altria Group, Inc.	4,525,841	4,888,730	Utilities – 15.7%			
38,400	Brown-Forman Corporation, Class B	3,405,541	3,857,862	77,500	Alliant Energy Corporation	4,505,726	5,031,948
37,100	Bunge Limited	3,198,253	2,993,838	63,800	American Electric Power Company, Inc.	3,376,623	3,794,961
9,500	Campbell Soup Company	457,610	464,287	71,300	American Water Works Co., Inc.	3,327,962	3,762,615
67,200	Church & Dwight Co., Inc.	4,898,884	5,014,872	21,900	Calpine Corporation	457,060	556,297
50,900	Clorox Company, The	4,935,602	4,962,443	86,000	CentrePoint Energy, Inc.	2,220,506	2,343,269
65,900	Colgate-Palmolive Company	4,652,249	4,791,660	112,400	CMS Energy Corporation	3,358,579	3,737,114
61,500	Dr. Pepper Snapple Group, Inc.	3,360,174	3,843,504	57,200	Consolidated Edison, Inc.	3,394,928	3,523,511
21,500	Energizer Holdings, Inc.	2,675,635	2,799,720	45,600	DTE Energy Company	3,370,095	3,788,973
30,400	Hershey Company, The	3,343,763	3,157,923	11,600	Duke Energy Corporation	890,874	918,134
82,100	Hormel Foods Corporation	4,216,413	4,321,168	11,100	Edison International	648,191	688,140
19,600	J.M. Smucker Company, The	2,190,746	2,227,881	27,000	Entergy Corporation	2,049,190	2,365,028
51,300	Kellogg Company	3,433,572	3,595,718	59,500	Integrus Energy Group, Inc.	3,566,058	4,515,155
38,700	Kimberly-Clark Corporation	4,675,625	4,591,120	14,100	MDU Resources Group, Inc.	495,966	527,994
17,600	Kraft Foods Group Inc.	1,090,935	1,125,653	70,300	Northeast Utilities	3,365,237	3,544,100
62,100	McCormick & Company, Inc.	4,793,393	4,742,931	124,800	OGE Energy Corp.	4,831,760	5,203,218
5,900	Mead Johnson Nutrition Company	527,535	586,450	159,700	Pepco Holdings, Inc.	3,398,581	4,681,925
13,600	Molson Coors Brewing Company, Class B	830,175	1,075,998	73,100	PG&E Corporation	3,343,952	3,743,749
52,600	Philip Morris International Inc.	4,795,811	4,729,758	57,300	Pinnacle West Capital Corporation	3,322,984	3,534,256
28,900	Procter & Gamble Company, The	2,537,425	2,422,310	48,400	PPL Corporation	1,623,596	1,834,609
66,600	Reynolds American Inc.	3,649,026	4,287,996	26,200	Public Service Enterprise Group Incorporated	959,014	1,140,139
10,900	Safeway Inc.	397,416	399,153	86,400	SCANA Corporation	4,551,502	4,958,593
55,900	Sysco Corporation	2,220,710	2,233,400	45,300	Sempra Energy	4,675,727	5,059,484
5,900	Wal-Mart Stores, Inc.	488,712	472,301	49,100	Southern Company	2,261,640	2,376,322
		71,301,046	73,586,676	76,900	Wisconsin Energy Corporation	3,566,846	3,849,348
Health Care – 8.4%				106,300	Xcel Energy, Inc.	3,340,567	3,653,375
63,300	AmerisourceBergen Corporation	4,804,413	4,906,841			70,903,164	79,132,257
8,000	C. R. Bard, Inc.	1,167,280	1,220,048	TOTAL UNITED STATES EQUITIES			
61,400	DaVita, Inc.	4,614,798	4,737,286			260,271,034	272,411,371
55,700	DENTSPLY International Inc.	2,860,028	2,813,702	Australia – 5.7%			
40,700	Express Scripts, Inc.	3,372,818	3,010,360	298,250	AGL Energy Ltd.	4,500,994	4,643,689
38,900	Henry Schein Inc.	4,942,292	4,924,854	227,872	APA Group	1,572,158	1,579,145
41,500	Laboratory Corporation of America Holdings	4,389,928	4,533,680	49,916	Australian Stock Exchange Ltd.	1,813,784	1,789,323
53,200	Omnicare, Inc.	3,724,134	3,778,270	82,120	BHP Billiton Limited	2,918,358	2,992,915
106,600	Patterson Companies Inc.	4,780,384	4,493,317	731,351	CFS Retail Property Trust	1,512,377	1,500,515
37,400	Stryker Corporation	3,222,819	3,363,782	19,711	Cochlear Limited	1,167,542	1,224,166
12,900	Universal Health Services, Inc., Class B	1,161,158	1,317,401	341,868	Federation Centres NPV on Stapled Security	849,533	856,146
19,600	Varian Medical Systems, Inc.	1,787,740	1,738,477	64,911	GPT Group	261,270	250,803
49,000	Zoetis Inc.	1,719,183	1,686,933	233,447	Iluka Resources Limited	2,015,500	1,911,122
		42,546,975	42,524,951	733,561	SP AusNet	1,020,348	978,074
				339,528	Stockland	1,356,796	1,325,679
				503,752	Tatts Group Limited	1,552,663	1,658,051

For equities, all common shares unless otherwise noted.

The accompanying notes are an integral part of the financial statements.

## SCHEDULE OF INVESTMENT PORTFOLIO

For equities, all common shares unless otherwise noted.  
The accompanying notes are an integral part of the financial statements

# Scotia Global Low Volatility Equity LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United Kingdom (cont'd)			
15,444	Scottish & Southern Energy PLC	450,529	441,570
204,664	Smith & Nephew PLC	3,377,005	3,882,397
65,011	Tate & Lyle PLC	921,093	811,974
46,107	United Utilities Group PLC	631,874	741,854
		<u>33,699,640</u>	<u>34,259,204</u>
	TOTAL INVESTMENT PORTFOLIO	<u>484,144,777</u>	501,393,230
	OTHER ASSETS, LESS LIABILITIES – 0.7%		<u>3,428,157</u>
	NET ASSETS – 100.0%		<u>504,821,387</u>

For equities, all common shares unless otherwise noted.  
The accompanying notes are an integral part of the financial statements.

# Scotia Global Low Volatility Equity LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities located around the world.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	274,091,849	54.3	27,409,185	5.4
British Pound	34,326,647	6.8	3,432,665	0.7
Japanese Yen	33,436,877	6.6	3,343,688	0.7
Australian Dollar	29,023,621	5.7	2,902,362	0.6
Swiss Franc	28,778,440	5.7	2,877,844	0.6
Hong Kong Dollar	21,282,057	4.2	2,128,206	0.4
European Euro	20,413,917	4.0	2,041,392	0.4
Singapore Dollar	18,338,094	3.6	1,833,809	0.4
New Zealand Dollar	15,406,689	3.1	1,540,669	0.3
Israel Shekel	12,471,535	2.5	1,247,154	0.3
Norwegian Krone	9,915,950	2.0	991,595	0.2
Danish Krone	6,391,677	1.3	639,168	0.1
Total	503,877,353	99.8	50,387,737	10.1

- ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 99.3% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$50,139,323. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

- iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ –	\$1,761,513
Redeemable units	504,821,387	–
	\$504,821,387	\$1,761,513

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

# Scotia Global Low Volatility Equity LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Foreign Equities	
United States	54.0
Australia	5.7
Austria	0.1
Belgium	0.4
Denmark	1.3
France	1.5
Germany	1.0
Hong Kong	4.2
Israel	2.5
Japan	6.6
New Zealand	3.0
Norway	2.0
Portugal	1.0
Singapore	3.6
Switzerland	5.6
United Kingdom	6.8

### v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	\$272,411,380	\$228,969,537	\$ –	\$501,380,917
Rights	–	12,313	–	12,313
	\$272,411,380	\$228,981,850	\$ –	\$501,393,230

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# 1832 AM Canadian Preferred Share LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$ 66,175,067
Unrealized gain on currency forward contracts	28,890
Cash	58,911,536
Accrued investment income	108,307
Subscriptions receivable	675,000
	<u>125,898,800</u>
<b>LIABILITIES</b>	
Current liabilities	
Payable for securities purchased	8,008,807
Accrued expenses	2,080
	<u>8,010,887</u>
Net Assets attributable to holders of redeemable units	<u>\$117,887,913</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES</b>	
Series I Units	<u>\$117,887,913</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>11,195,992</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	
Series I Units	<u>\$ 10.53</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 297,282
Interest for distribution purposes	85,151
Net realized gain (loss) on non-derivative financial assets	93,462
Net gain (loss) foreign exchange	(726)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	142,824
Change in unrealized appreciation (depreciation) of currency forwards	28,890
	<u>646,883</u>
Net gain (loss) on investments	<u>646,883</u>
Total income (loss)	<u>646,883</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	357
Audit fees	214
Independent Review Committee fees	35
Legal fees	96
Unitholder reporting costs	1,823
Unitholder administration and service fees	1,666
Transaction costs	93,417
	<u>97,608</u>
Total expenses	<u>97,608</u>
Absorbed expenses	(121)
	<u>97,487</u>
Net expenses	<u>97,487</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$ 549,396</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES</b>	
Series I Units	<u>\$ 549,396</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*</b>	
Series I Units	<u>\$ 0.20</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>2,965,943</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD</b>	
Series I Units	\$ –
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS</b>	
Series I Units	<u>549,396</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	117,769,020
Payments on redemption	
Series I Units	<u>(430,503)</u>
	<u>117,338,517</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	
Series I Units	<u>117,887,913</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD</b>	
Series I Units	<u>\$117,887,913</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 549,396
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(93,462)
Net realized gain (loss) foreign exchange on cash	726
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(142,824)
Change in unrealized appreciation (depreciation) of forward currency contracts	(28,890)
Purchases of non-derivative financial assets	(58,026,026)
Proceeds from sale of non-derivative financial assets	2,635
Transaction costs	93,417
Accrued investment income	(108,307)
Accrued expenses	2,080
	<u>(57,751,255)</u>
Net cash provided by (used in) operating activities	<u>(57,751,255)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	117,094,020
Amounts paid on redemption of redeemable units	<u>(430,503)</u>
Net cash provided by (used in) financing activities	<u>116,663,517</u>
Net gain (loss) foreign exchange on cash	(726)
Net increase (decrease) in cash	58,912,262
Cash at beginning of period	<u>–</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 58,911,536</u>
Interest received <sup>(1)</sup>	24,545
Dividends received, net of withholding taxes <sup>(1)</sup>	249,581

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.



# 1832 AM Canadian Preferred Share LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 54.7%				EQUITIES (cont'd)			
Energy – 6.8%				Financials (cont'd)			
3,700	AltaGas Ltd., 4.75%, Preferred, Series G	92,360	91,760	900	Fairfax Financial Holdings Limited, 5.75%, Preferred, Series SC	22,149	22,482
3,300	AltaGas Ltd., 5.00%, Preferred, Series E	85,008	85,140	8,050	Great-West Lifeco Inc., 3.65%, Preferred, Series N	179,158	173,639
14,500	Enbridge Inc., 4.00% Preferred, Series F	349,986	361,775	10,600	Great-West Lifeco Inc., 4.50%, Preferred, Series 1	240,299	243,588
38,100	Enbridge Inc., 4.00% Preferred, Series R	927,149	940,308	200	Great-West Lifeco Inc., 4.85%, Preferred, Series H	4,493	4,796
45,800	Enbridge Inc., 4.00%, Preferred, Series 3	1,110,121	1,115,230	14,700	Great-West Lifeco Inc., 5.15%, Preferred, Series Q	362,415	368,235
12,500	Enbridge Inc., 4.00%, Preferred, Series D	296,849	310,625	23,300	Great-West Lifeco Inc., 5.20%, Preferred, Series G	1,076,542	1,084,665
20,000	Enbridge Inc., 4.00%, Preferred, Series H	467,148	478,100	300	Great-West Lifeco Inc., 5.40%, Preferred, Series P	7,468	7,647
61,500	Enbridge Inc., 4.00%, Preferred, Series P	1,502,071	1,515,360	500	Great-West Lifeco Inc., 5.65%, Preferred, Series L	12,639	12,870
44,600	Enbridge Inc., 4.40%, Preferred, Series 11	1,120,943	1,126,150	400	HSBC Bank of Canada 5.00%, Preferred, Series D	10,080	10,300
2,650	Enbridge Inc., 4.40%, Preferred, Series 9	66,278	67,443	500	HSBC Bank of Canada 5.10%, Preferred, Series C	12,625	12,655
3,900	Pembina Pipeline Corporation, 4.25%, Preferred, Series A	96,328	94,965	100	Industrial Alliance, 4.30%, Preferred, Series G	2,584	2,590
1,750	Pembina Pipeline Corporation, 4.70%, Preferred, Series C	43,943	44,135	100	Industrial Alliance, 6.00%, Preferred, Series E	2,607	2,616
2,300	Pembina Pipeline Corporation, 5.00%, Preferred, Series 5	58,754	59,961	8,450	Intact Financial Corporation 4.20%, Preferred, Series 3	215,579	219,109
17,050	TransCanada Corporation, 4.00%, Preferred, Series B	346,053	346,968	8,700	Intact Financial Corporation, 4.20%, Preferred, Series 1	208,142	211,149
4,850	TransCanada Corporation, 4.25%, Preferred, Series 9	122,038	122,802	700	Manulife Financial Corporation, 3.80%, Preferred, Series 13	17,349	17,598
20,450	TransCanada Corporation, 4.40%, Preferred, Series 5	475,577	461,966	124,100	Manulife Financial Corporation, 3.90%, Preferred, Series 15	3,091,621	3,126,079
13,450	TransCanada Corporation, 4.60%, Preferred, Series 1	312,644	312,578	3,400	Manulife Financial Corporation, 4.00%, Preferred, Series 11	86,776	87,890
3,500	Veresen Inc., 4.40%, Preferred, Series A	88,025	87,500	5,800	Manulife Financial Corporation, 4.40%, Preferred, Series 9	150,856	151,612
16,450	Veresen Inc., 5.00%, Preferred, Series C	415,785	415,692	3,050	Manulife Financial Corporation, 4.50%, Preferred, Series 3	69,328	69,937
		7,977,060	8,038,458	4,000	Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	103,875	105,080
Financials – 43.0%				111,300	Manulife Financial Corporation, 4.65%, Preferred, Series B	2,560,584	2,609,985
34,900	Bank of Montreal, 5.25%, Preferred, Series 14	910,798	910,716	100	Manulife Financial Corporation, 5.60%, Preferred, Series 1	2,553	2,529
50,000	Bank of Montreal, 3.90%, Preferred, Series 29	1,244,000	1,265,000	100	Power Financial Corporation, 4.80%, Preferred, Series S	2,227	2,385
200	Bank of Montreal, 4.00%, Preferred, Series 27	4,990	5,082	7,100	Power Financial Corporation, 4.95%, Preferred, Series K	168,739	169,832
900	Bank of Montreal, 4.5%, Preferred, Series 13	22,948	23,256	10,000	Power Financial Corporation, 5.25%, Preferred, Series E	247,544	250,700
100	Bank of Montreal, 5.80%, Preferred, Series 15	2,619	2,659	100	Power Financial Corporation, 5.50%, Preferred, Series D	2,465	2,538
100	Bank of Nova Scotia, The, 3.70%, Preferred, Series 32	2,449	2,428	10,300	Power Financial Corporation, 5.50%, Preferred, Series R	263,404	264,813
550	Bank of Nova Scotia, The, 4.50%, Preferred, Series 14	14,021	14,146	52,500	Royal Bank of Canada, 3.90%, Preferred, Series BB	1,312,000	1,329,300
90,300	Bank of Nova Scotia, The, 3.35%, Preferred, Series 18	2,269,239	2,279,172	800	Royal Bank of Canada, 4.45%, Preferred, Series AA	20,151	20,456
17,600	Bank of Nova Scotia, The, 3.83%, Preferred, Series 22	450,339	447,920	13,100	Royal Bank of Canada, 4.45%, Preferred, Series AF	337,410	338,111
800	Bank of Nova Scotia, The, 4.50%, Preferred, Series 15	20,331	20,624	20,700	Royal Bank of Canada, 4.50%, Preferred, Series AD	532,703	530,955
500	Bank of Nova Scotia, The, 4.80%, Preferred K, Series 13	12,530	12,500	13,000	Royal Bank of Canada, 4.50%, Preferred, Series AE	334,352	334,100
17,000	Bank of Nova Scotia, The, 5.25%, Preferred, Series 16	446,814	443,360	20,300	Royal Bank of Canada, 4.50%, Preferred, Series AG	521,586	522,116
100	Bank of Nova Scotia, The, 5.60%, Preferred, Series 17	2,631	2,602	80,200	Royal Bank of Canada, 4.60%, Preferred, Series AC	2,060,330	2,057,130
20,000	Bank of Nova Scotia, The, 5.00%, Preferred, Series 20	507,956	506,600	600	Royal Bank of Canada, 4.70%, Preferred, Series B	15,239	15,372
84,600	BCE Inc., 4.15%, Preferred, Series AK	1,923,857	1,906,884	55,000	Royal Bank of Canada, 5.00%, Preferred, Series AJ	1,390,000	1,397,000
23,500	BCE Inc., 5.54%, Preferred, Series AC	502,996	499,375	50,600	Royal Bank of Canada, 5.60%, Preferred, Series AL	1,331,514	1,345,454
46,150	Brookfield Asset Management Inc., 4.60%, Preferred, Series 28	1,023,651	1,047,605	45,300	Sun Life Financial Inc., 4.35%, Preferred, Series 8R	1,007,886	1,017,891
40,400	Brookfield Asset Management Inc., 4.20%, Preferred, Series 34	1,001,020	1,007,980	200	Sun Life Financial Inc., 4.45%, Preferred, Series 3	4,351	4,548
1,100	Brookfield Asset Management Inc., 4.40%, Preferred, Series 38	26,960	27,533	20,400	Sun Life Financial Inc., 4.45%, Preferred, Series F	454,474	463,692
63,300	Brookfield Asset Management Inc., 4.50%, Preferred, Series 26	1,551,392	1,572,372	11,500	Sun Life Financial Inc., 4.50%, Preferred, Series 5	259,568	264,270
1,000	Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	25,315	26,050	23,000	Sun Life Financial Inc., 4.75%, Preferred, Series A	546,068	558,670
108,000	Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	2,729,130	2,743,740	18,600	Sun Life Financial Inc., 4.80%, Preferred, Series 2	442,574	457,374
2,800	Brookfield Asset Management Inc., 4.75%, Preferred, Series 17	59,488	59,584	84,000	Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	2,099,200	2,130,240
163,200	Brookfield Asset Management Inc., 4.85%, Preferred, Series 36	3,606,968	3,530,016	800	Toronto-Dominion Bank, The, 4.85%, Preferred, Series O	20,256	20,440
2,800	Brookfield Asset Management Inc., 4.90%, Preferred, Series 37	60,653	61,404	300	Toronto-Dominion Bank, The, 5.25%, Preferred, Series P	7,804	7,899
50,400	Brookfield Office Properties Inc., 4.60%, Preferred, Series T	1,265,216	1,248,912	200	Toronto-Dominion Bank, The, 5.60%, Preferred, Series R	5,288	5,296
54,875	Brookfield Office Properties Inc., 5.15%, Preferred, Series SP	1,383,184	1,382,301			50,520,365	50,727,486
3,450	Brookfield Properties Corporation, Inc., 5.00%, Preferred, Series J	86,031	86,768	Telecommunication Services – 1.7%			
3,700	Brookfield Properties Corporation, Inc., 5.10%, Preferred, Series R	92,716	93,906	3,750	BCE Inc., 4.35%, Preferred, Series 17	84,938	85,275
37,750	Brookfield Properties Corporation, Inc., 6.15%, Preferred, Series N	978,089	968,288	15,700	BCE Inc., 4.54%, Preferred, Series 16	344,406	345,400
32,800	Brookfield Renewable Power Inc., 4.40%, Preferred, Series 3	783,332	794,252	4,300	BCE Inc., 6.17%, Preferred, Series R	95,546	96,492
27,350	Brookfield Renewable Power Inc., 5.00%, Preferred, Series 6	586,733	595,957	4,000	BCE Inc., 4.15%, Preferred, Series 19	88,055	88,800
9,450	Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	227,515	228,690	11,850	BCE Inc., 5.45%, Preferred, Series AA	245,188	252,879
200	Brookfield Renewable Power Inc., 5.00%, Preferred, Series 5	3,947	4,352	35,100	Bell Aliant Inc., 4.25%, Preferred, Series E	834,400	822,393
62,400	Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	1,550,360	1,581,216	10,750	Bell Aliant Inc., 4.55%, Preferred, Series SC	270,869	275,899
1,000	Canadian Imperial Bank of Commerce, 5.40%, Preferred G, Series 29	25,191	25,510	4,300	Bell Aliant Inc., 4.85%, Preferred, Series A	94,400	93,697
200	E-I Financial Corporation Limited, 5.50%, Preferred, Series 3	4,820	5,003			2,057,802	2,060,835
19,800	Fairfax Financial Holdings Limited, 4.75%, Preferred, Series E	410,930	396,990	Utilities – 3.2%			
7,000	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series K	176,260	176,820	10,200	Algonquin Power & Utilities Corp., 5.00%, Preferred, Series D	253,250	252,552
100,850	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series I	2,374,020	2,339,720	17,050	Capital Power Corporation, 4.50%, Preferred, Series 5	393,852	392,150
4,400	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series G	322,051	322,560				

For equities, all common shares unless otherwise noted.

The accompanying notes are an integral part of the financial statements.

# 1832 AM Canadian Preferred Share LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares Face Value (\$)	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
3,900	Capital Power Corporation, 4.60%, Preferred, Series 1	82,481	80,730
3,400	Capital Power Corporation, 4.60%, Preferred, Series 3	79,560	79,798
7,850	Emera Inc., 4.10%, Preferred, Series C	195,321	197,820
47,600	TransAlta Corporation, 4.60%, Preferred, Series A	915,620	909,636
59,900	TransAlta Corporation, 4.60%, Preferred, Series C	1,308,094	1,308,216
20,600	TransAlta Corporation, 5.00%, Preferred, Series E	490,577	496,460
1,300	Westcoast Energy, 5.50%, Preferred, Series H	32,591	32,500
100	Westcoast Energy, 5.60%, Preferred, Series J	2,480	2,510
		<u>3,753,826</u>	<u>3,752,372</u>
Exchange-traded Funds – 0.0%			
100	iShares S&P/TSX Canadian Preferred Share Index Fund	1,611	1,644
	TOTAL EQUITIES	<u>64,310,664</u>	<u>64,580,795</u>
BOND AND DEBENTURE INSTRUMENTS – 1.4%			
Corporate Bonds – 1.4%			
	Bank of America Corporation (callable)		
1,500,000	5.13% due Dec. 29, 2049 (Jun. 17, 2019)	1,628,170	1,594,272
	TOTAL INVESTMENT PORTFOLIO	<u>65,938,834</u>	<u>66,175,067</u>
	Currency Forward Contracts – 0.0%		28,890
	OTHER ASSETS, LESS LIABILITIES – 43.9%		51,683,956
	NET ASSETS – 100.0%		<u>117,887,913</u>

## CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 (\$)	Canadian (\$) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	1,630,001	U.S. Dollar	1,500,000	1,601,110	<u>28,890</u>

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A+ by Standard & Poor's.

# 1832 AM Canadian Preferred Share LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to provide income and the potential for modest long term capital growth. It invests primarily in a diversified portfolio of preferred shares of Canadian corporations.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014
Less than 1 year	\$ –
1-3 years	–
3-5 years	1,594,272
5-10 years	–
> 10 years	–
Total	\$1,594,272

\* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$653,463, or approximately 0.6% of total net assets attributable to holders of redeemable units. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

- ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	(6,838)	0.0	(684)	0.0

- iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 54.7% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$6,458,080. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

# 1832 AM Canadian Preferred Share LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net assets attributable to holders of redeemable units (%)
<b>Bond Credit Rating</b>		
AAA	3.9	2.2
AA	93.7	52.5
BB	2.4	1.4
Total	100.0	56.1

### v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ –	\$8,010,887
Redeemable units	117,887,913	–
	\$117,887,913	\$8,010,887

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

### vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

Investment Category	Percentage of Net Assets (%)
	June 30, 2014
Equities	
Energy	6.8
Financials	43.0
Telecommunication Services	1.7
Utilities	3.2
Exchange-Traded Funds	0.0
Corporate Bonds	1.4
Currency Forward Contracts	0.0

### vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	\$64,580,795	\$ –	\$ –	\$64,580,795
Bond and Debenture Instruments	–	1,594,272	–	1,594,272
Currency Forward Contracts–Assets	–	28,890	–	28,890
	\$64,580,795	\$1,623,162	\$ –	\$66,203,957

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# 1832 AM North American Preferred Share LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$323,004,427
Unrealized gain on currency forward contracts	2,505,268
Cash	6,209,636
Accrued investment income	990,195
Subscriptions receivable	910,000
Margin deposited on futures	93,931
	<u>333,713,457</u>
<b>LIABILITIES</b>	
Current liabilities	
Payable for securities purchased	2,133,306
Accrued expenses	5,243
	<u>2,138,549</u>
Net Assets attributable to holders of redeemable units	<u>\$331,574,908</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES</b>	
Series I Units	<u>\$331,574,908</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>31,741,809</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	
Series I Units	<u>\$ 10.45</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 3,761,245
Interest for distribution purposes	1,040,924
Net realized gain (loss) on non-derivative financial assets	382,062
Net realized gain (loss) on futures contracts	(55,446)
Net realized gain (loss) on currency forwards	1,183,074
Net gain (loss) foreign exchange	(23,384)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	4,416,080
Change in unrealized appreciation (depreciation) of currency forwards	2,505,268
	<u>13,209,823</u>
Net gain (loss) on investments	2,695
Securities lending	
Total income (loss)	<u>13,212,518</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	1,429
Audit fees	2,263
Independent Review Committee fees	323
Legal fees	733
Unitholder reporting costs	2,356
Unitholder administration and service fees	15,092
Overdraft charges	565
Foreign withholding taxes/tax reclaims	88,061
Transaction costs	313,333
	<u>424,155</u>
Absorbed expenses	(3)
Net expenses	<u>424,152</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$12,788,366</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES</b>	
Series I Units	<u>\$12,788,366</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*</b>	
Series I Units	<u>\$ 0.49</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>26,084,314</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD</b>	
Series I Units	<u>\$ –</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS</b>	
Series I Units	<u>12,788,366</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	319,236,545
Payments on redemption	
Series I Units	<u>(450,003)</u>
	<u>318,786,542</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	
Series I Units	<u>331,574,908</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD</b>	
Series I Units	<u>\$331,574,908</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 12,788,366
Adjustments For:	
Net realized gain (loss) on sale of non-derivative financial assets	(382,062)
Net realized gain (loss) foreign exchange on cash	23,384
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(4,416,080)
Change in unrealized appreciation (depreciation) of forward currency contracts	(2,505,268)
Purchases of non-derivative financial assets	(321,587,310)
Proceeds from sale of non-derivative financial assets	5,200,998
Transaction costs	313,333
Accrued investment income	(990,195)
Accrued expenses	5,243
Change in margin accounts for futures contracts	(93,931)
Net cash provided by (used in) operating activities	<u>(311,643,522)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	318,326,545
Amounts paid on redemption of redeemable units	<u>(450,003)</u>
Net cash provided by (used in) financing activities	<u>317,876,542</u>
Net gain (loss) foreign exchange on cash	(23,384)
Net increase (decrease) in cash	<u>6,233,020</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 6,209,636</u>
Interest received <sup>(1)</sup>	345,389
Dividends received, net of withholding taxes <sup>(1)</sup>	3,378,524

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.

# 1832 AM North American Preferred Share LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)	Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 75.4%				EQUITIES (cont'd)			
CANADIAN EQUITIES – 64.3%				CANADIAN EQUITIES (cont'd)			
Energy – 11.6%				Financials (cont'd)			
3,000	AltaGas Ltd., 4.75%, Preferred, Series G	74,800	74,400	109,500	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series K	2,734,228	2,765,970
20,000	Enbridge Inc. 4.00% Preferred, Series 1	528,828	530,437	104,050	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series I	2,333,164	2,413,960
98,500	Enbridge Inc. 4.00% Preferred, Series F	2,398,773	2,457,575	95,600	Fairfax Financial Holdings Limited, 5.00%, Preferred, Series G	2,046,343	2,141,440
32,000	Enbridge Inc. 4.00% Preferred, Series L	856,234	854,162	131,400	Fairfax Financial Holdings Limited, 5.75%, Preferred, Series SC	3,250,715	3,282,372
89,800	Enbridge Inc. 4.00% Preferred, Series R	2,190,336	2,216,264	25,000	Great West Lifeco Inc. 5.80%, Preferred, Series M	655,500	658,750
202,400	Enbridge Inc., 4.00%, Preferred, Series 3	4,865,752	4,928,440	46,700	Great-West Lifeco Inc., 3.65%, Preferred, Series N	1,045,880	1,007,319
144,000	Enbridge Inc., 4.00%, Preferred, Series D	3,490,313	3,578,400	43,200	Great-West Lifeco Inc., 4.50%, Preferred, Series 1	945,617	992,736
110,100	Enbridge Inc., 4.00%, Preferred, Series H	2,617,225	2,631,941	7,000	Great-West Lifeco Inc., 4.85%, Preferred, Series H	157,259	167,860
133,600	Enbridge Inc., 4.00%, Preferred, Series P	3,241,591	3,291,904	74,700	Great-West Lifeco Inc., 5.15%, Preferred, Series Q	1,782,837	1,871,235
50,700	Enbridge Inc., 4.40%, Preferred, Series 11	1,266,920	1,280,175	102,300	Great-West Lifeco Inc., 5.20%, Preferred, Series G	2,452,683	2,562,615
11,000	Enbridge Inc., 4.40%, Preferred, Series 5	282,742	292,210	31,000	Great-West Lifeco Inc., 5.40%, Preferred, Series P	771,871	790,190
179,800	Enbridge Inc., 4.40%, Preferred, Series 9	4,489,786	4,575,910	74,200	Great-West Lifeco Inc., 5.65%, Preferred, Series L	1,907,474	1,909,908
9,100	Pembina Pipeline Corporation, 4.25%, Preferred, Series A	222,248	221,585	37,700	HSC Bank of Canada 5.10%, Preferred, Series C	952,289	954,187
27,100	Pembina Pipeline Corporation, 4.70%, Preferred, Series C	668,636	683,462	20,300	Industrial Alliance, 4.30%, Preferred, Series G	524,869	525,770
75,800	Pembina Pipeline Corporation, 5.00%, Preferred, Series 5	1,961,167	1,976,106	5,900	Industrial Alliance, 6.00%, Preferred, Series E	153,813	154,315
69,800	TransCanada Corporation, 4.00%, Preferred, Series B	1,450,285	1,420,430	21,200	Intact Financial Corporation 4.2%, Preferred, Series 3	541,815	549,716
67,800	TransCanada Corporation, 4.25%, Preferred, Series 9	1,708,500	1,716,696	45,000	Intact Financial Corporation, 4.20%, Preferred, Series 1	1,085,384	1,092,150
4,000	TransCanada Corporation, 4.4%, Preferred, Series 5	90,240	90,360	67,800	Manulife Financial Corporation, 3.80%, Preferred, Series 13	1,671,872	1,704,492
166,000	TransCanada Corporation, 4.60%, Preferred, Series 1	3,905,039	3,857,840	287,500	Manulife Financial Corporation, 3.90%, Preferred, Series 15	7,008,152	7,242,125
31,000	Veresen Inc., 4.40%, Preferred, Series A	768,074	775,000	52,500	Manulife Financial Corporation, 4.00%, Preferred, Series 11	1,336,090	1,357,125
45,000	Veresen Inc., 5.00%, Preferred, Series C	1,145,607	1,137,150	92,600	Manulife Financial Corporation, 4.40%, Preferred, Series 9	2,402,391	2,420,564
		<u>38,223,096</u>	<u>38,590,447</u>	78,100	Manulife Financial Corporation, 4.50%, Preferred, Series 3	1,702,029	1,790,833
Financials – 47.4%				27,100	Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	706,957	711,917
17,200	Bank of Montreal, 5.25%, Preferred, Series 14	447,784	448,834	254,400	Manulife Financial Corporation, 4.65%, Preferred, Series B	5,605,090	5,965,680
42,500	Bank of Montreal, 3.90%, Preferred, Series 29	1,058,000	1,075,250	6,800	Manulife Financial Corporation, 5.60%, Preferred, Series 1	173,604	171,972
39,600	Bank of Montreal, 4.00%, Preferred, Series 27	989,280	1,006,236	35,200	Power Corporation of Canada 5.00%, Preferred, Series D	828,640	855,008
226,900	Bank of Montreal, 4.5%, Preferred, Series 13	5,827,235	5,863,096	20,000	Power Financial Corporation, 4.20%, Preferred, Series T	518,250	519,200
9,900	Bank of Montreal, 5.80%, Preferred, Series 15	259,299	263,241	9,500	Power Financial Corporation, 4.80%, Preferred, Series S	211,565	226,575
29,000	Bank of Nova Scotia, The 3.70% Pref. Series 32	710,210	704,120	19,100	Power Financial Corporation, 4.95%, Preferred, Series K	447,895	456,872
147,000	Bank of Nova Scotia, The 4.50% Pref. Series 14	3,753,118	3,780,840	9,800	Power Financial Corporation, 5.25%, Preferred, Series E	229,320	245,686
33,000	Bank of Nova Scotia, The, 3.83%, Preferred, Series 22	839,702	839,850	43,700	Power Financial Corporation, 5.50%, Preferred, Series D	1,077,205	1,109,106
201,970	Bank of Nova Scotia, The, 4.50%, Preferred, Series 15	5,191,694	5,206,787	31,200	Power Financial Corporation, 5.50%, Preferred, Series R	778,557	802,152
48,200	Bank of Nova Scotia, The, 4.80%, Preferred K, Series 13	1,208,916	1,205,000	3,200	Royal Bank of Canada, 3.52%, Preferred, Series AK	80,948	81,824
16,600	Bank of Nova Scotia, The, 5.25%, Preferred, Series 16	431,521	432,928	56,500	Royal Bank of Canada, 3.90%, Preferred, Series BB	1,411,600	1,430,580
11,000	Bank of Nova Scotia, The, 5.60%, Preferred, Series 17	289,447	286,220	76,900	Royal Bank of Canada, 4.45%, Preferred, Series AA	1,936,625	1,966,333
3,400	Bank of Nova Scotia, The, 5.00%, Preferred, Series 20	86,483	86,122	21,600	Royal Bank of Canada, 4.45%, Preferred, Series AF	553,207	557,496
213,600	BCE Inc., 4.15%, Preferred, Series AK	4,677,035	4,814,544	26,900	Royal Bank of Canada, 4.50%, Preferred, Series AD	687,537	689,985
51,900	BCE Inc., 5.54%, Preferred, Series AC	1,058,650	1,102,875	97,400	Royal Bank of Canada, 4.50%, Preferred, Series AE	2,473,321	2,503,180
132,150	Brookfield Asset Management Inc. 4.6%, Preferred, Series 28	2,841,296	2,999,805	21,200	Royal Bank of Canada, 4.50%, Preferred, Series AG	539,211	545,264
94,900	Brookfield Asset Management Inc., 4.20%, Preferred, Series 34	2,351,954	2,367,755	100,700	Royal Bank of Canada, 4.60%, Preferred, Series AC	2,588,519	2,582,955
211,600	Brookfield Asset Management Inc., 4.40%, Preferred, Series 38	5,216,290	5,296,348	78,400	Royal Bank of Canada, 4.70%, Preferred, Series B	2,003,119	2,008,608
84,100	Brookfield Asset Management Inc., 4.50%, Preferred, Series 26	2,043,760	2,089,044	38,200	Royal Bank of Canada, 5.00%, Preferred, Series AJ	962,640	970,280
25,300	Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	643,440	659,065	168,400	Royal Bank of Canada, 5.60%, Preferred, Series AL	4,371,251	4,477,756
39,500	Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	987,280	1,003,498	96,400	Sun Life Financial Inc. 4.35%, Preferred, Series 8R	2,155,238	2,166,108
50,000	Brookfield Asset Management Inc., 4.75%, Preferred, Series 18	1,008,032	1,065,250	27,000	Sun Life Financial Inc. 4.45%, Preferred, Series 3	587,906	613,980
47,000	Brookfield Asset Management Inc., 4.75%, Preferred, Series 17	945,806	1,000,160	11,100	Sun Life Financial Inc., 4.25%, Preferred, Series 12R	285,725	289,710
181,400	Brookfield Asset Management Inc., 4.85%, Preferred, Series 36	3,773,067	3,923,682	120,000	Sun Life Financial Inc., 4.45%, Preferred, Series F	2,550,089	2,727,600
70,500	Brookfield Asset Management Inc., 4.90%, Preferred, Series 37	1,468,570	1,546,065	46,900	Sun Life Financial Inc., 4.50%, Preferred, Series 5	1,020,952	1,077,762
74,800	Brookfield Office Properties Inc., 4.60%, Preferred, Series T	1,841,650	1,853,544	145,300	Sun Life Financial Inc., 4.75%, Preferred, Series A	3,269,570	3,529,337
153,100	Brookfield Office Properties Inc., 5.15%, Preferred, Series SP	3,820,985	3,856,589	56,100	Sun Life Financial Inc., 4.80%, Preferred, Series 2	1,280,930	1,379,499
25,450	Brookfield Properties Corporation, Inc., 5.10%, Preferred, Series R	652,162	645,921	14,400	Toronto-Dominion Bank, The 5.10%, Preferred, Series Y	365,026	367,776
124,300	Brookfield Properties Corporation, Inc., 6.15%, Preferred, Series N	3,173,962	3,188,295	30,000	Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	748,000	760,800
124,400	Brookfield Renewable Power Inc., 4.40%, Preferred, Series 3	2,887,681	3,012,346	99,000	Toronto-Dominion Bank, The, 4.85%, Preferred, Series O	2,515,068	2,529,450
157,500	Brookfield Renewable Power Inc., 5.00%, Preferred, Series 6	3,198,415	3,431,925	64,400	Toronto-Dominion Bank, The, 5.25%, Preferred, Series P	1,682,051	1,695,652
36,500	Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	893,631	883,300	38,900	Toronto-Dominion Bank, The, 5.60%, Preferred, Series Q	1,026,933	1,025,793
41,900	Brookfield Renewable Power Inc., 5.00%, Preferred, Series 5	846,269	911,744	18,700	Toronto-Dominion Bank, The, 5.60%, Preferred, Series R	494,692	495,737
35,000	Brookfield Asset Management Inc., 5.25%, Preferred, Series G	957,906	953,656			<u>153,454,256</u>	<u>157,178,934</u>
17,600	Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	437,280	445,984	Telecommunication Services – 2.4%			
99,300	Canadian Imperial Bank of Commerce, 5.40%, Preferred, Series 29	2,505,572	2,533,143	15,400	BCE Inc. 4.54%, Preferred, Series 16	334,323	338,800
3,100	E-I Financial Corporation Limited, 5.50%, Preferred, Series 3	74,710	77,547	3,100	BCE Inc. 6.17%, Preferred, Series R	66,340	69,564
21,200	Fairfax Financial Holdings Limited, 4.75%, Preferred, Series E	426,648	425,060	4,700	BCE Inc., 4.15%, Preferred, Series 19	99,045	104,340
				97,700	BCE Inc., 5.45%, Preferred, Series AA	2,001,676	2,084,918

For equities, all common shares unless otherwise noted.

The accompanying notes are an integral part of the financial statements.



# 1832 AM North American Preferred Share LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)	Face Value (\$)	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				BOND AND DEBENTURE INSTRUMENTS – 22.0%			
CANADIAN EQUITIES (cont'd)				Bank of America Corporation (callable)			
Telecommunication Services (cont'd)				12,500,000	5.13% due Dec. 29, 2049-(Jun. 17, 2019)	13,568,079	13,285,601
129,800	Bell Aliant Inc., 4.25%, Preferred, Series E	2,911,976	3,041,214	3,800,000	5.20% due Dec. 29, 2049-(Jun. 1, 2023)	3,839,035	3,901,999
21,400	Bell Aliant, Inc., 4.55%, Preferred, Series SC	539,143	549,231	Citigroup Inc.			
80,800	Bell Aliant, Inc., Preferred, Series SA	1,712,800	1,760,632	2,500,000	5.95% due Jan. 30, 2023	2,753,657	2,700,114
		<u>7,665,303</u>	<u>7,948,699</u>	1,500,000	5.35% due Apr. 29, 2049	1,549,518	1,536,262
Utilities – 2.8%				1,300,000	6.30% due Dec. 29, 2049	1,440,237	1,427,997
43,800	Algonquin Power & Utilities Corp., 5.00%, Preferred, Series D	1,086,094	1,084,488	Citigroup Inc. (callable)			
43,300	Capital Power Corporation, 4.50%, Preferred, Series 5	997,045	995,900	1,900,000	5.90% due Dec. 29, 2049-(Feb. 15, 2023)	2,033,960	2,061,958
8,400	Capital Power Corporation, 4.60%, Preferred, Series 1	170,503	173,880	Fifth Third Bancorp (callable)			
113,400	TransAlta Corporation, 4.60%, Preferred, Series A	2,036,470	2,167,074	1,400,000	4.90% due Sep. 30, 2019-(2019)	1,526,069	1,507,561
139,900	TransAlta Corporation, 4.60%, Preferred, Series C	2,936,702	3,055,416	General Electric Capital Canada (callable)			
62,900	TransAlta Corporation, 5.00%, Preferred, Series E	1,424,617	1,515,890	1,400,000	5.25% due Jun. 29, 2049-(Jun. 15, 2023)	1,479,249	1,523,460
5,200	Westcoast Energy, 5.60%, Preferred, Series J	128,960	130,520	Goldman Sachs Group, Inc., The (callable)			
		<u>8,780,391</u>	<u>9,123,168</u>	2,500,000	5.70% due Dec. 29, 2049-(May 10, 2019)	2,754,608	2,806,346
Exchange-Traded Fund – 0.1%				ING U.S. Inc. (callable)			
25,500	iShares S&P/TSX Canadian Preferred Share Index Fund	410,731	419,220	1,900,000	5.65% due May 15, 2053-(2023)	2,002,749	2,077,080
	TOTAL CANADIAN EQUITIES	<u>208,533,777</u>	<u>213,260,468</u>	3,150,000	6.00% due Aug. 1, 2023	3,463,222	3,440,387
UNITED STATES – 11.1%				2,000,000	6.75% due Jan. 29, 2049	2,286,739	2,299,059
Financials – 11.1%				JPMorgan Chase & Co. (callable)			
5,100	Ally Financial Inc., 7.00%, Preferred, Series 144A	5,585,118	5,481,906	6,000,000	5.00% due Dec. 29, 2049-(Jul. 1, 2019)	6,540,294	6,439,467
49,000	Allstate Corporation, The, 6.63%, Preferred, Series E	1,355,643	1,357,022	6,325,000	5.15% due Dec. 29, 2049-(May 1, 2023)	6,534,140	6,511,645
11,430	Ally Financial Inc., 8.50%, Preferred, Series A	350,489	336,801	7,000,000	6.13% due Apr. 30, 2024	7,721,281	7,691,979
14,246	Aspen Insurance Holdings Ltd. 5.95%, Preferred, Series C	393,069	378,438	PNC Preferred Funding Trust II			
366,000	Citigroup Inc., 6.88%, Preferred, Series K	10,410,243	10,597,265	3,500,000	1.45% due Mar. 29, 2049	3,710,220	3,613,998
139,155	Goldman Sachs Group, Inc., The, 5.50%, Preferred, Series J	3,624,755	3,637,205	USB Realty Corporation (Floating Rate)			
68,000	Goldman Sachs Group, Inc., The 6.38%, Preferred, Series K	1,910,673	1,906,501	2,500,000	1.48% due Dec. 29, 2049	2,499,294	2,463,754
33,028	ING Groep NV, 7.05%, Preferred	920,780	904,857	Wells Fargo & Company			
50,000	Morgan Stanley, 7.13%, Preferred, Series E	1,484,399	1,486,654	6,700,000	5.90% due Jun. 15, 2024	7,340,857	7,631,438
83,230	Morgan Stanley, Preferred, Series F	2,373,466	2,407,644	TOTAL BOND AND DEBENTURE INSTRUMENTS			
87,400	State Street Corporation, 5.90%, Preferred, Series D	2,421,965	2,442,956	TOTAL INVESTMENT PORTFOLIO			
175,000	Wells Fargo & Company, 5.85%, Preferred, Series Q	4,823,739	4,842,960	Currency Forward Contracts – 0.8%			
35,000	Wells Fargo & Company, 6.63%, Preferred, Series R	1,046,313	1,043,645	Futures Contracts – 0.0%			
	TOTAL UNITED STATES EQUITIES	<u>36,700,652</u>	<u>36,823,854</u>	OTHER ASSETS, LESS LIABILITIES – 1.8%			
	TOTAL EQUITIES	<u>245,234,429</u>	<u>250,084,322</u>	NET ASSETS – 100.0%			

## BOND FUTURES CONTRACTS

Number of Contracts	Contract Issuer	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Appreciation/ (Depreciation) (\$)
(38)	United States 10 Year Bond Futures – Sep. 2014	(5,072,599)	(5,074,499)	(1,900)

The above futures contracts are financial agreements to purchase/sell the bonds at a contracted price on a specific future date. However, the Fund does not intend to purchase the bonds on settlement. Rather, it intends to close out each futures contract before settlement by entering into equal, but offsetting futures contracts.

The futures contracts outstanding at June 30, 2014 are placed with a financial institution with a minimum credit rating of A- by Standard & Poor's.

## CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at June 30, 2014 (\$)	Canadian (\$) Appreciation/ (Depreciation)
Jul. 17, 2014	Canadian Dollar	13,366,004	U.S. Dollar	12,300,000	13,129,103	236,901
Jul. 17, 2014	Canadian Dollar	11,095,650	U.S. Dollar	10,000,000	10,674,067	421,583
Jul. 17, 2014	Canadian Dollar	5,489,000	U.S. Dollar	5,000,000	5,337,034	151,966
Jul. 17, 2014	Canadian Dollar	3,275,790	U.S. Dollar	3,000,000	3,202,220	73,570
Jul. 17, 2014	Canadian Dollar	108,680	U.S. Dollar	100,000	106,741	1,940
Aug. 14, 2014	Canadian Dollar	13,111,920	U.S. Dollar	12,000,000	12,818,322	293,598
Aug. 14, 2014	Canadian Dollar	7,249,638	U.S. Dollar	6,600,000	7,050,077	199,561
Aug. 14, 2014	Canadian Dollar	3,258,300	U.S. Dollar	3,000,000	3,204,580	53,720
Sep. 18, 2014	Canadian Dollar	20,121,320	U.S. Dollar	18,400,000	19,671,150	450,171
Sep. 18, 2014	Canadian Dollar	7,611,877	U.S. Dollar	7,000,000	7,483,590	128,287
Oct. 15, 2014	Canadian Dollar	29,378,700	U.S. Dollar	27,000,000	28,884,729	493,971
						<u>2,505,268</u>

The currency forward contracts outstanding at June 30, 2014 are placed with a financial institution with a credit rating of A- by Standard & Poor's.

For equities, all common shares unless otherwise noted.  
The accompanying notes are an integral part of the financial statements.

# 1832 AM North American Preferred Share LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to provide income and the potential for modest long term capital growth. It invests primarily in a diversified portfolio of preferred shares of North American corporations.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio of bond and debenture instruments.

Interest Rate Exposure*	June 30, 2014
Less than 1 year	\$ –
1-3 years	–
3-5 years	16,091,946
5-10 years	45,487,089
> 10 years	11,341,070
Total	\$72,920,105

\* Earlier of maturity or interest reset date. Excludes cash, money market instruments, underlying funds, and preferred shares as applicable.

As at June 30, 2014, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$1,103,860 or approximately 0.3% of total net assets attributable to holders of redeemable units. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

- ii) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	1,646,603	0.5	164,660	0.1

- iii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 75.4% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$25,008,432. In practice, actual results will differ from this sensitivity analysis and the difference could be material.



# 1832 AM North American Preferred Share LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Credit risk

The table below summarizes the credit ratings of the bond and debenture instruments, excluding cash and money market instruments but including preferred shares, held by the Fund.

	June 30, 2014	
	Percentage of Total Bond and Debenture Instruments and Preferred Shares Securities (%)	Percentage of Net assets attributable to holders of redeemable units (%)
AAA	6.2	6.0
AA	71.2	69.4
A	0.5	0.5
BBB	8.7	8.5
BB	13.4	13.0
Total	100.0	97.4

### v) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ –	\$2,138,549
Redeemable units	331,574,908	–
	\$331,574,908	\$2,138,549

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

### vi) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	Percentage of Net Assets (%)
	June 30, 2014
Canadian Equities	
Energy	11.6
Financials	47.4
Telecommunication Services	2.4
Utilities	2.8
Exchange-Traded Fund	0.1
United States Equities	
Financials	11.1
Bond and Debenture Instruments	22.0
Currency Forward Contracts	0.8
Futures Contracts	0.0

### vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	\$250,084,322	\$ –	\$ –	\$250,084,322
Bond and Debenture Instruments	–	72,920,105	–	72,920,105
Currency Forward Contracts – Assets	–	2,505,268	–	2,505,268
	250,084,322	75,425,373	–	325,509,695
Futures Contracts (Short)	1,900	–	–	1,900
	\$250,086,222	\$75,425,373	\$ –	\$325,511,595

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# 1832 AM Global Completion LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$246,785,668
Cash	4,133,285
Accrued investment income	1,063,741
	<u>251,982,694</u>
<b>LIABILITIES</b>	
Current liabilities	
Accrued expenses	4,098
Net Assets attributable to holders of redeemable units	<u>\$251,978,596</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I Units	<u>\$251,978,596</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>23,587,873</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I Units	<u>\$ 10.68</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 2,734,343
Interest for distribution purposes	10,098
Net gain (loss) foreign exchange	481,570
Change in unrealized appreciation (depreciation) of non-derivative financial assets	12,239,792
Net gain (loss) on investments	15,465,803
Securities lending	69,514
Total income (loss)	<u>15,535,317</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	1,171
Audit fees	1,774
Independent Review Committee fees	251
Legal fees	563
Unitholder reporting costs	2,207
Unitholder administration and service fees	11,755
Overdraft charges	4,703
Foreign withholding taxes/tax reclaims	410,151
Transaction costs	59,905
Total expenses	492,480
Absorbed expenses	(3)
Net expenses	<u>492,477</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$15,042,840</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I Units	<u>\$15,042,840</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*	
Series I Units	<u>\$ 0.76</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	19,712,906

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD	
Series I Units	\$ –
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I Units	<u>15,042,840</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	240,659,909
Payments on redemption	
Series I Units	<u>(3,724,153)</u>
	<u>236,935,756</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I Units	<u>251,978,596</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD	
Series I Units	<u>\$251,978,596</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	15,042,840
Adjustments For:	
Net realized gain (loss) foreign exchange on cash	(481,570)
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(12,239,792)
Purchases of non-derivative financial assets	(234,605,781)
Transaction costs	59,905
Accrued investment income	(1,063,741)
Accrued expenses	4,098
Net cash provided by (used in) operating activities	<u>(233,284,041)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	240,659,909
Amounts paid on redemption of redeemable units	<u>(3,724,153)</u>
Net cash provided by (used in) financing activities	<u>236,935,756</u>
Net gain (loss) foreign exchange on cash	481,570
Net increase (decrease) in cash	<u>3,651,715</u>
CASH AT END OF PERIOD	<u>\$ 4,133,285</u>
Interest received <sup>(1)</sup>	9,163
Dividends received, net of withholding taxes <sup>(1)</sup>	1,261,386

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was January 27, 2014. Accordingly, there were no comparative figures shown.

The accompanying notes are an integral part of the financial statements.

# 1832 AM Global Completion LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Units	Issuer	Average Cost (\$)	Carrying Value (\$)
EXCHANGE-TRADED FUNDS – 97.9%			
Canada – 4.9%			
425,770	iShares Global Agriculture Index ETF	11,340,134	12,338,815
United States – 93.0%			
80,850	iShares Core S&P Mid-Cap ETF	11,645,133	12,341,325
104,780	iShares Core S&P Small-Cap ETF	12,061,546	12,523,767
1,039,710	iShares Global Infrastructure ETF	45,003,340	49,171,426
502,300	iShares J.P. Morgan USD Emerging Markets Bond ETF	60,510,721	61,770,671
433,580	iShares MSCI EAFE Small-Cap ETF	23,927,851	24,478,902
385,690	iShares MSCI Emerging Markets Minimum Volatility ETF	23,270,936	24,733,636
402,530	Vanguard Global ex-U.S. Real Estate ETF	23,614,121	24,928,912
306,830	Vanguard REIT ETF	23,172,093	24,498,214
		<u>223,205,741</u>	<u>234,446,853</u>
	TOTAL INVESTMENT PORTFOLIO	<u>234,545,875</u>	<u>246,785,668</u>
	OTHER ASSETS, LESS LIABILITIES – 2.1%		<u>5,192,928</u>
	NET ASSETS – 100.0%		<u>251,978,596</u>

The accompanying notes are an integral part of the financial statements.

# 1832 AM Global Completion LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to achieve long-term capital growth. It invests primarily in a mixed portfolio of equity and/or fixed income exchange-traded funds ("ETFs") but may also invest directly in fixed income securities, equity securities, commodities and cash or cash equivalents.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014			
	Net Currency Exposure (\$)	Percentage of Net Assets (%)	Impact if Canadian dollar had strengthened or weakened by 10%	Percentage of Net Assets (%)
US Dollar	237,318,180	94.2	23,731,818	9.4

- ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.9% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$24,678,567. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

- iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ –	\$4,098
Redeemable units	251,978,596	–
	\$251,978,596	\$4,098

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.

# 1832 AM Global Completion LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

	<b>Percentage of Net Assets (%)</b>
	<b>June 30, 2014</b>
Exchange-Traded Funds	
Canada	4.9
United States	93.0

### v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

<b>June 30, 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Exchange-Traded Funds	\$246,785,668	\$ –	\$ –	\$246,785,668

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# Scotia U.S. Dividend Growers LP (Unaudited)

## STATEMENT OF FINANCIAL POSITION

As at

	June 30, 2014
<b>ASSETS</b>	
Current assets	
Investments	
Non-derivative financial assets	\$93,135,612
Cash	2,692,579
Accrued investment income	69,406
Subscriptions receivable	315,200
	<u>96,212,797</u>
<b>LIABILITIES</b>	
Current liabilities	
Payable for securities purchased	756,717
Accrued expenses	1,745
	<u>758,462</u>
Net Assets attributable to holders of redeemable units	<u>\$95,454,335</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES</b>	
Series I Units	<u>\$95,454,335</u>
<b>UNITS OUTSTANDING</b>	
Series I Units	<u>9,543,847</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	
Series I Units	<u>\$ 10.00</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30,

	2014**
<b>INCOME</b>	
Net gain (loss) on investments (note 2)	
Dividends	\$ 137,687
Interest for distribution purposes	448
Net gain (loss) foreign exchange	(246,536)
Change in unrealized appreciation (depreciation) of non-derivative financial assets	113,311
	<u>4,910</u>
Net gain (loss) on investments	<u>4,910</u>
Total income (loss)	<u>4,910</u>
<b>EXPENSES</b>	
Harmonized Sales Tax/Goods and Services Tax	137
Audit fees	143
Independent Review Committee fees	23
Legal fees	65
Unitholder reporting costs	432
Unitholder administration and service fees	1,125
Foreign withholding taxes/tax reclaims	20,780
Transaction costs	12,911
	<u>35,616</u>
Total expenses	<u>35,616</u>
Absorbed expenses	(1)
Net expenses	<u>35,615</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$ (30,705)</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES</b>	
Series I Units	<u>\$ (30,705)</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*</b>	
Series I Units	<u>\$ (0.00)</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS</b>	
Series I Units	<u>8,930,682</u>

\* The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average units per series.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period ended June 30,

	2014**
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – BEGINNING OF PERIOD</b>	
Series I Units	<u>\$ –</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS</b>	
Series I Units	<u>(30,705)</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Proceeds from issue	
Series I Units	95,818,435
Payments on redemption	
Series I Units	<u>(333,395)</u>
	<u>95,485,040</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	
Series I Units	<u>95,454,335</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS – END OF PERIOD</b>	
Series I Units	<u>\$95,454,335</u>

## STATEMENT OF CASH FLOWS

For the period ended June 30,

	2014**
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (30,705)
Adjustments For:	
Net realized gain (loss) foreign exchange on cash	246,536
Change in unrealized appreciation (depreciation) on sale of non-derivative financial assets	(113,311)
Purchases of non-derivative financial assets	(92,278,495)
Transaction costs	12,911
Accrued investment income	(69,406)
Accrued expenses	1,745
Net cash provided by (used in) operating activities	<u>(92,230,725)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of redeemable units	95,503,235
Amounts paid on redemption of redeemable units	<u>(333,395)</u>
Net cash provided by (used in) financing activities	<u>95,169,840</u>
Net gain (loss) foreign exchange on cash	(246,536)
Net increase (decrease) in cash	<u>2,939,115</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 2,692,579</u>
Interest received <sup>(1)</sup>	108
Dividends received, net of withholding taxes <sup>(1)</sup>	47,849

<sup>(1)</sup> Classified as operating items.

\*\* Fund's inception date was May 26, 2014. Accordingly, there were no comparative figures shown.

# Scotia U.S. Dividend Growers LP (Unaudited – Continued)

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014

Number of Shares	Issuer	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.6%			
Energy – 9.5%			
61,167	Halliburton Company	4,245,396	4,632,845
54,102	Noble Energy, Inc.	4,173,658	4,470,887
		<u>8,419,054</u>	<u>9,103,732</u>
Materials – 4.5%			
35,934	Ecolab Inc.	4,245,636	4,267,196
Industrials – 26.7%			
25,675	Cummins Inc.	4,263,059	4,225,251
55,423	Equifax Inc.	4,245,359	4,289,142
65,529	Ingersoll-Rand PLC	4,233,051	4,370,045
147,487	Southwest Airlines Co.	4,191,038	4,226,322
39,670	Union Pacific Corporation	4,255,149	4,221,608
15,155	W.W. Grainger, Inc.	4,209,424	4,111,061
		<u>25,397,080</u>	<u>25,443,429</u>
Consumer Discretionary – 35.3%			
65,641	CBS Corporation, Class B	4,305,649	4,351,603
65,355	Macy's, Inc.	4,155,795	4,044,335
51,000	NIKE, Inc., Class B	4,231,232	4,218,624
57,081	Ross Stores, Inc.	4,217,356	4,027,105
51,276	Scripps Networks Interactive	4,269,280	4,437,841
71,717	TJX Companies, Inc., The	4,233,686	4,066,570
46,432	Walt Disney Company, The	4,224,698	4,247,210
53,557	Wyndham Worldwide Corporation	4,242,628	4,326,430
		<u>33,880,324</u>	<u>33,719,718</u>
Consumer Staples – 4.2%			
50,133	CVS Caremark Corporation	4,221,769	4,029,777
Health Care – 8.7%			
53,338	AmerisourceBergen Corporation	4,203,686	4,134,614
46,115	Stryker Corporation	4,129,640	4,147,615
		<u>8,333,326</u>	<u>8,282,229</u>
Financials – 4.5%			
45,901	Moody's Corporation	4,254,826	4,291,925
Information Technology – 4.2%			
51,002	MasterCard, Inc., Class A	4,270,286	3,997,606
	TOTAL INVESTMENT PORTFOLIO	<u>93,022,301</u>	<u>93,135,612</u>
	OTHER ASSETS, LESS LIABILITIES – 2.4%		<u>2,318,723</u>
	NET ASSETS – 100.0%		<u>95,454,335</u>

For equities, all common shares unless otherwise noted.  
The accompanying notes are an integral part of the financial statements.

# Scotia U.S. Dividend Growers LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### 1. The Fund (note 1)

- i) The Fund's investment objective is to maximize total investment return by investing primarily in equity securities of U.S. companies listed on U.S. exchanges that have exhibited strong dividend growth and have the potential for long term capital growth.

### 2. Risks Associated with Financial Instruments (note 4)

- i) Currency risk

The table below indicates the currency to which the Fund had significant exposure, net of the impact of foreign currency forward contracts and foreign currency spot contracts, if any, based on the monetary and non-monetary assets of the Fund. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

Currency	June 30, 2014				
	Financial Instruments (\$)	Currency Forward Contracts (\$)	Currency Spot Contracts (\$)	Net Currency Exposure (\$)	Percentage of Net Assets (%)
US Dollar	95,527,427	—	—	95,527,427	100.1

- ii) Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities, if applicable. As at June 30, 2014, approximately 97.6% of the Fund's net assets attributable to holders of redeemable units were exposed to other price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$9,313,561. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

- iii) Liquidity risk

The table below summarizes the Fund's financial liabilities based on the remaining period to the contractual maturity date.

	June 30, 2014	
	On demand	Less than 3 months
Accounts payable and accrued liabilities	\$ —	\$758,462
Redeemable units	95,454,335	—
Total	\$95,454,335	\$758,462

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer term.



# Scotia U.S. Dividend Growers LP (Unaudited – Continued)

## FUND SPECIFIC NOTES

For the periods indicated in Note 1.

### iv) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type. The table below is a summary of the Fund's concentration risk.

<b>Percentage of Net Assets (%)</b>	
<b>June 30, 2014</b>	
Energy	9.5
Materials	4.5
Industrials	26.7
Consumer Discretionary	35.3
Consumer Staples	4.2
Health Care	8.7
Financials	4.5
Information Technology	4.2

### v) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014.

<b>June 30, 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	\$93,135,612	\$ –	\$ –	\$93,135,612

## Transfers Between Levels

During the period ended June 30, 2014, there were no transfers between Level 1 and Level 2.

# Notes to Financial Statements

For the periods indicated in Note 1.

## 1. Formation of the Limited Partnerships

Scotia Total Return Bond LP, Scotia U.S. Low Volatility Equity LP, Scotia Global Low Volatility Equity LP, 1832 AM Canadian Preferred Share LP, 1832 AM North American Preferred Share LP, 1832 AM Global Completion LP and Scotia U.S. Dividend Growers LP are each an open-ended mutual fund. Scotia Total Return Bond LP, Scotia U.S. Low Volatility Equity LP, Scotia Global Low Volatility Equity LP, 1832 AM Canadian Preferred Share LP, 1832 AM North American Preferred Share LP and 1832 AM Global Completion LP are each organized as a limited partnership governed by the laws of Ontario pursuant to separate limited partnership agreements dated as of January 15, 2014 and Scotia U.S. Dividend Growers LP is organized as a limited partnership governed by the laws of Ontario pursuant to a limited partnership agreement dated as of May 13, 2014, each signed by ScotiaFunds GP Inc., the General Partners and as the initial limited partner of each of Scotia Total Return Bond LP, Scotia U.S. Low Volatility Equity LP, Scotia Global Low Volatility Equity LP, 1832 AM Canadian Preferred Share LP, 1832 AM North American Preferred Share LP, 1832 AM Global Completion LP and Scotia U.S. Dividend Growers LP. The address of the Funds' registered office is 1 Adelaide St. E, 28th Floor, Toronto, Ontario.

The fiscal year end of each of the Funds is December 31. The inception date for each Fund is as follows:

Scotia Total Return Bond LP	January 27, 2014
Scotia U.S. Low Volatility Equity LP	January 27, 2014
Scotia Global Low Volatility Equity LP	January 27, 2014
1832 AM Canadian Preferred Share LP	January 27, 2014
1832 AM North American Preferred Share LP	January 27, 2014
1832 AM Global Completion LP	January 27, 2014
Scotia U.S. Dividend Growers LP	May 26, 2014

The investment objectives and strategies for each of the Funds are provided in the respective Fund's "Fund Specific Notes".

The Schedule of Investment Portfolio for each of the Funds is as at June 30, 2014. The Statements of Financial Position are as at June 30, 2014 and the Statement of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the period from the Fund's inception date to June 30, 2014. Throughout this document, reference to the reporting period refers to the reporting period described above.

We also refer to a limited partnership individually, as a "Fund" and collectively, as the "Funds".

Each Fund is divided into one general partner unit, representing the interest in the relevant fund held by its General Partner, and Series I units ("units") representing interests in each Fund held by its limited partner unitholder(s).

The General Partner is entitled to 0.01% of the net income of each Fund (up to a maximum of \$3,000 per year) and 0.01% of the net loss of each Fund.

The manager and portfolio adviser of the Funds is 1832 Asset Management L.P. (the "Manager").

The Manager has Guidelines for Business Conduct (the "Code") which applies to all of its employees. The Code is in place to protect the interest of all of the Manager's clients. The Code provides policies governing the conduct of business including conflicts of interest, privacy issues and confidentiality.

These financial statements were approved by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as trustee (the "Trustee") of the funds and authorized for issue on August 11, 2014.

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of June 30, 2014. Any subsequent changes to IFRS that are given effect in the Fund's annual financial statements for the year ending December 31, 2014 could result in restatement of these interim financial statements.

### (a) Financial instrument disclosures

Financial instrument disclosures include a three level fair value hierarchy which provides information about the relative observability of inputs to the fair value measurement of financial assets and liabilities. The levels are defined as follows:

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is based on inputs other than unadjusted quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

- Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments are disclosed in the respective Fund's "Fund Specific Notes".

(b) Financial instruments

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The Funds' investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL).

The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. These balances are short-term in nature and, therefore, their carrying values approximate fair value.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (NAV) for transactions with unitholders, except where the last traded market price for financial assets and liabilities are not within the bid-ask spread.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation

techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Funds, including level 3 measurements. The Manager obtains pricing from a third party pricing vendor, which is monitored and reviewed by the valuation team daily. At each financial reporting date, the Manager reviews and approves all level 3 fair value measurements. The Funds also have a Valuation Committee which includes the Chief Financial Officer and members of the finance team, as well as members of the portfolio management and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Fund.

The fair value of financial assets and liabilities as at the financial reporting period end dates are determined as follows:

- (i) North American equities are valued at the closing market price recorded by the security exchange on which the security is principally traded. Non-North American equities are valued at fair value provided by an independent pricing source.
- (ii) Fixed income securities, including bonds and mortgage-backed securities, are valued using models with inputs including interest rate curves, credit spreads and volatilities.
- (iii) Short-term debt instruments are carried at amortized cost, which in the opinion of the Manager, approximates fair value.
- (iv) Investments in underlying funds are valued based on the Net Asset Value per unit provided by the underlying fund's manager at the end of each valuation date.
- (v) Open forward currency contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. The unrealized gain or loss, for the period is reflected in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) of currency forwards". Realized gains or losses on forward currency contracts would arise as a result of the closing of a position on the settlement date. The net realized gain or loss is reported as "Net realized gain (loss) on

currency forwards” in the Statements of Comprehensive Income.

- (vi) Unlisted warrants are valued using the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation.
- (vii) Futures contracts are valued at their close prices for financial reporting purposes at the close of business on each valuation date of the reporting period. Any difference between the settlement value at the close of business on the current valuation date and that of the previous valuation date is settled into cash daily and recorded in the Statements of Comprehensive Income as “Net realized gain (loss) on future contracts” or “Index futures contract income”. Amounts receivable (payable) on settlement of futures contracts are reflected in the Statements of Financial Position as “Receivable for (Payable for) futures contracts”.
- (viii) Options are valued at their close price as reported by the principal exchange or over-the-counter market on which the contract is traded. Any difference resulting from revaluation at the reporting date is treated as unrealized appreciation (depreciation) of investments.

Premiums paid for purchased call and put options are included in options purchased in the Statements of Financial Position. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. For the closing transaction of the purchased put options, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased call option is exercised, the cost of security purchased is increased by the premium paid at the time of purchase.

Premiums received from writing options are included as a liability for written options in the Statements of Financial Position. When a written option expires unexercised, premiums received from writing options are recorded as income on the Statements of Comprehensive Income. When a written call option is exercised, the Fund will record a realized loss if the cost of closing the transaction exceeds the premium received; the Fund will record a realized gain if the premium received is greater than the amount paid for closing the transaction. When a written put is exercised, the cost of the security purchased is reduced by the premiums received at the time the option was written.

- (ix) Financial assets and liabilities other than investment securities are valued at cost or amortized cost. These balances are short-term in nature; therefore, their carrying values approximate fair values.
- (x) Gold bullion is carried at FVTPL based on the price quoted provided by an independent pricing source.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in “Transaction costs” in the Statements of Comprehensive Income. The investment cost of a security represents the amount paid and is determined on an average cost basis excluding transaction costs.

Dividend income and distributions from underlying funds are recognized on the ex-dividend date.

Interest for distribution purposes is recognized on an accrual basis based on the coupon rate. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Distributions received from income trusts are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital by applying previous year characterizations reported by the trust as current year characterizations are not available until the following year.

Realized gain or loss on the sale of short-term debt instruments are recorded as an adjustment to interest income.

Income, realized gain (loss) and unrealized gain (loss) are allocated among the Series on a pro rata basis.

(e) Functional currency and foreign exchange translation

The functional currency of a Fund is generally the Canadian dollar.

The reporting and functional currency for the Funds is based on the currency in which subscriptions and redemptions of units are primarily denominated. Any other currency other than functional currency represents foreign currency to the Funds.

Amounts denominated in foreign currencies are converted into the functional currency as follows:

- (i) fair value of investments, forward and spot currency contracts and other assets and

liabilities at the rates of exchange prevailing as at the valuation date; and

- (ii) purchase and sale of investments and investment income at the rates of exchange prevailing on the respective dates of such transactions.

Foreign exchange gain (loss) on purchases and sales of foreign currencies are included in “Net realized gain (loss) on foreign exchange” in the Statements of Comprehensive Income.

- (f) Increase (decrease) in net assets attributable to holders of redeemable units per unit

“Increase (decrease) in net assets attributable to holders of redeemable units per unit” is disclosed in the Statements of Comprehensive Income and represents, for each Series of units, the increase or decrease in net assets attributable to holders of redeemable units from operations for the period attributable to each Series divided by the weighted average number of units outstanding for the corresponding Series during the period.

- (g) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, a Fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

### 3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

#### *Fair value measurement of derivatives and securities not quoted in an active market*

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments and derivatives that are not quoted in an active market. The use of

valuation techniques for financial instruments and derivatives that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments and derivatives.

#### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, “Financial Instruments: recognition and measurement”. The most significant judgments made include the determination that certain financial instruments are held-for-trading and that the fair value option can be applied to those which are not.

### 4. Discussion of Financial Instrument Risk

Each Fund’s investment activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, and other price risk), credit risk and liquidity risk. Each Fund’s investment practices include portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on each Fund’s performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor each Fund’s securities and financial market developments. The risks are measured using a method that reflects the expected impact on the results and Net Assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables.

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Funds are being managed in accordance with the Funds’ stated investment objectives, strategies and securities regulations.

Some Funds invest in underlying funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the underlying funds invest in financial instruments that are subject to those risks.

A Fund’s exposure to market risk, credit risk and liquidity risk, where applicable, is disclosed in the respective Fund’s “Fund Specific Notes”. Where the exposure to a particular risk is not disclosed, the Manager has assessed the potential impact of that risk to be not significant.



(a) Market risk

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. Each Fund's exposure to interest rate risk is concentrated in its investments in debt securities (such as bonds and debentures) and interest rate derivative instruments, if any. Short-term investments and other assets and liabilities are short-term in nature and/or non-interest bearing and are not subject to a significant amount of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(ii) Currency risk

The Funds may invest in monetary assets denominated in currencies other than its functional currency. Currency risk is the risk that the value of foreign investments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency. Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Funds may enter into foreign exchange forward contracts or currency futures contracts for hedging purposes to reduce their foreign currency risk exposure.

(iii) Other price risk

Other price risk is the risk that the fair value of a Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options and future contracts sold, where possible losses can be unlimited.

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Where the Fund invests in debt instruments, this represents the main concentration of credit risk. The fair value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure to the Fund. Credit risk may also exist in relation to counterparties to futures, swaps and forward

currency contracts. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is only made on a purchase once the securities have been received by the broker.

The credit ratings reported for counterparties to debt instruments are Standard & Poor's credit rating or Standard & Poor's equivalent for credit ratings from other approved rating agencies. In addition, custody and derivative transactions are carried out by counterparties that have a Standard & Poor's credit rating of A or higher.

A Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have approved credit rating and the market value of cash or securities held as collateral must be at least 104% of the fair value of the securities loaned as at the end of each trading day.

(c) Liquidity risk

The Fund's exposure to liquidity risk arises primarily from the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the respective Fund's Schedule of Investment Portfolio.

(d) Concentration risk

Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The identification and disclosure of risks concentration is provided in the respective Fund's "Fund Specific Notes".

## 5. Redeemable Units

Units issued and outstanding represent the capital of each Fund. Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Limited Partnership Agreement, ranks *pari passu* with all other units of the Fund and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Fund. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions, as outlined in the Funds' prospectus. The Funds have no specific restrictions or specific capital requirements on the

subscriptions or redemptions of units, other than minimum subscription requirements.

The units of each Series of the Funds are issued and redeemed at their Pricing NAV per unit of each Series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The Pricing NAV per unit is calculated by dividing the NAV of the Fund by the total number of outstanding units of each Series.

#### *Classification of Redeemable Units Issued by the Fund*

The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities. The Funds' outstanding units include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the unitholder), therefore the ongoing redemption feature is not the units' only contractual obligation. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation."

For the period ended June 30, 2014, the following numbers of units were issued, reinvested and redeemed:

Funds	2014		
	Units Issued	Units Reinvested	Units Redeemed
<b>Scotia Total Return Bond LP</b>			
Series I Units	31,700,993	–	715,361
<b>Scotia U.S. Low Volatility Equity LP</b>			
Series I Units	75,153,270	–	117,030
<b>Scotia Global Low Volatility Equity LP</b>			
Series I Units	47,517,047	–	107,900
<b>1832 AM Canadian Preferred Share LP</b>			
Series I Units	11,237,809	–	41,817
<b>1832 AM North American Preferred Share LP</b>			
Series I Units	31,786,589	–	44,780
<b>1832 AM Global Completion LP</b>			
Series I Units	23,945,920	–	358,047
<b>Scotia U.S. Dividend Growers LP</b>			
Series I Units	9,576,763	–	32,916

## 6. Expenses

The Manager is not entitled to a management fee payable by a Fund in respect of Series I units. The management fee is negotiable and paid by unitholders directly to the Manager.

Each Fund is responsible for operating expenses relating to the carrying on of its business. Each series of a Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all series. Operating expenses may include legal fees and other costs

incurred in order to comply with legal and regulatory requirements and policies, audit fees, custodial fees, taxes, brokerage commissions, unitholder communication costs and other administration costs. Examples of other administrative cost include departmental expenses incurred and paid by the Manager which support the daily operation of the funds. Administration service expenses paid to the Manager for the period ended June 30, 2014 is as follows:

Fund Name	June 30, 2014
Scotia Total Return Bond LP	\$11,030
Scotia U.S. Low Volatility Equity LP	24,657
Scotia Global Low Volatility Equity LP	16,149
1832 AM Canadian Preferred Share LP	1,197
1832 AM North American Preferred Share LP	10,746
1832 AM Global Completion LP	8,370
Scotia U.S. Dividend Growers LP	806

Effective August 22, 2014, the Manager pays the operating expenses of the fund, other than other fund costs (as defined below) and taxes (the "Operating Expenses"), in exchange for the payment by the fund of an annual fixed rate administration fee (the "Administration Fee") with respect to each series of the fund, subject to a transitional adjustment payment up to December 31, 2016, the details of which are presented in the fund's simplified prospectus. The Operating Expenses payable by the Manager include, but are not limited to, legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, taxes, brokerage commissions, unitholder communication costs and other administrative costs.

In addition to the Administration Fee, the fund also pays "other fund costs", which include including the costs and expenses related to the IRC of the funds, costs associated with the conversion to International Financial Reporting Standards ("IFRS") and the ongoing audit costs associated with compliance with IFRS, the cost of any government or regulatory requirements imposed commencing after May 14, 2014, and any new types of costs, expenses or fees not incurred prior to May 14, 2014, including those related to external services that were not commonly charged in the Canadian mutual fund industry as of May 14, 2014, any fee introduced after May 14, 2014 by a securities regulator or other government authority that is based on the assets or other criteria of the funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST or HST, as applicable).

The Administration Fee is equal to a specified percentage of the net asset value of each series of the fund, calculated and paid in the same manner as the management fees for the fund. Prior to August 22, 2014, the fund was responsible for its Operating Expenses, which comprise a portion of the management expense ratio of the series of the fund.

The Manager, at its sole discretion, absorbs operating expenses otherwise payable by certain Series. The absorbed expenses are reflected in the Statement of Comprehensive Income. The Manager may cease to absorb expenses at any time.

#### 7. Client Brokerage Commissions

There were no broker commissions or soft dollars paid during period ended in connection with portfolio transactions.

#### 8. Related Party Transactions

- (a) The Manager is a wholly-owned subsidiary of Scotiabank and a related party to the Funds. Pursuant to the Master Management Agreement, the Manager is not entitled to any management fees from the Funds in respect of the Series I Units of the Funds. In addition, Scotiabank is the custodian of the Funds and earns a fee for providing custody and related services. The custodian fees are disclosed in separate line items in the Statement of Comprehensive Income.
- (b) The Manager may enter into transactions and service arrangements with its affiliates. Scotia Capital Inc. may be involved in the purchase and sale of portfolio securities and currency forward contracts.
- (c) The Manager received approval from the Independent Review Committee to invest the Funds' overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is reflected in the Statements of Comprehensive Income in "Interest for distribution purposes" in the Income section.

#### 9. Income Taxes

No provision for income taxes has been recorded in these financial statements as the earnings or loss of a Fund is allocated to the limited partners and the General Partner, who are responsible for any income taxes applicable thereto.

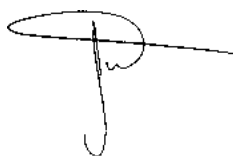


# Management's Responsibility For Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by 1832 Asset Management L.P. in its capacity as manager (the "Manager") of the Funds and have been approved by the Boards of Directors of the general partners of the Funds (as defined in Note 1) and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P. The Boards of Directors of the general partners of the Funds and the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset management L.P. are responsible for the information and representations contained in these financial statements and the management report of fund performance.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies which the Manager believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Finance Committee of the Board of Directors of 1832 Asset Management G.P. Inc. is responsible for reviewing the financial statements and the management report of fund performance and recommending them to the Boards of Directors of the general partners of the Funds and 1832 Asset Management G.P. Inc. for approval, in addition to meeting with management, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.



---

Jordy Chilcott  
Co-President  
1832 Asset Management L.P.

August 11, 2014



---

Stephen Morson  
Chief Financial Officer  
1832 Asset Management L.P.